

GOVERNMENT CONTRACTS.

MARCH 3, 1863.—Laid on the table and ordered to be printed.

Mr. FENTON, from the select committee to inquire into contracts of the government, made the following

REPORT.

The special committee of the House, appointed to inquire into all the facts and circumstances connected with contracts and agreements by or with the government growing out of its operations in suppressing the rebellion, submit the following final report:

Since the last report, submitted to the House on the 17th day of July, 1862, your committee have confined their labors principally to the investigation with which they were charged by the resolution of the House, of February 26, 1862, instructing said committee to "inquire into the amount of moneys received by the federal officers in the city of New York by virtue of their offices; also as to the ownership and rents of the bonded warehouses; also the terms, considerations, and profits of the labor contracts for the storing, hauling, and delivery, &c., of foreign goods in the city of New York; when made, by whom, and who are now interested in the same."

The labors of the committee have extended through a period of twenty months, and their reports and the testimony taken will cover nearly three thousand pages of printed matter. They have endeavored faithfully to discharge the important and onerous duties confided to them, and the result of their labors may be found in the many millions of dollars saved to the treasury through their investigations.

The disclosure of the transactions which brought reproach upon the western department in the summer and fall of 1861, brought upon your committee no small amount of obloquy and reproach from the parties implicated in the frauds which were exposed. A court-martial, constituted of distinguished officers of the regular army of high rank, was convened to try *Major Justus McKinstry*, quartermaster of the United States army, who was charged with corrupt practices as a public officer while acting in that department. The sixty-one specifications under the charge were nearly, if not quite, all based upon the testimony taken by your committee. After a trial of almost unprecedented length, in which the accused was allowed every latitude for his defence, he was found guilty, in whole or in part, on twenty-six specifications. He was convicted of the charge, and

promptly dismissed the service by the order of the President of the United States. The order of the War Department, embracing the charge and specifications and the orders thereon, is deemed of sufficient importance to be incorporated into this report, to the end that it may be shown that no guilty officer, however high his rank, or however skilled in fraudulent practices, can escape the proper punishment when brought to answer before an intelligent and incorruptible tribunal, mindful alike of the honor of the service and the imperative demands of public justice.

Though the committee was composed of gentlemen of both political parties, and their examinations have involved persons of every political faith, it affords them great pleasure to say that, among those members of the committee who have participated in its labors, there has never been any disagreement touching the questions which have arisen before them, or in regard to the conclusions to which they have arrived.

Your committee devoted much time to the subject of the resolution of February 26, 1862, in regard to the amount of moneys received by the federal officers in the city of New York by virtue of their offices, &c., above referred to.

In order to facilitate this investigation, the committee met in the city of New York and examined many witnesses upon the various matters mentioned in the resolution. The persons examined have been those who would be likely to afford the most specific, direct, and reliable information upon the subjects inquired about. A pretty large amount of testimony has been taken, which is herewith submitted, and which the committee desire may be regarded and treated as a part of their report. The matters examined into embrace a wide and varied range of topics. Much of the information from the witnesses is valuable, and affords important explanations of the practical workings of the revenue system at the central point where a very large proportion of the duties on imports is and has long been collected.

Though there is a large amount of testimony, yet it is generally relevant to the points of inquiry; is unusually explicit in its character; and much of it is condensed into forms convenient to a clear understanding of the subject-matter. For this reason the committee have not deemed it necessary to go into any extended analysis of it, but, after briefly referring to the several topics embraced in the resolution, have concluded to present it to the House without extended comments of their own.

1. As to the amount of moneys received by the federal officers in the city of New York.

As to moneys received by these officers in the shape of salaries, fees, perquisites, and commissions, the proof shows that, in some cases, they are large—too large, in the opinion of the committee. In respect to those officers whose emoluments are increased by sharing in the proceeds of fines, penalties, and forfeitures incurred by violations of the revenue laws and matters of the like character, the annual aggregates received by them, in some instances, are large, as will be seen by consulting the testimony on those points where the sums are specifi-

cally set forth. The committee approve of the general principle upon which the laws regulating this subject are based; and while, as has already been said, they are of the opinion that in some cases these aggregates are too large, yet they might find it difficult to determine to what extent, and in what mode, the amounts could be reduced, without at the same time withdrawing a portion of that stimulus which, according to the recognized motives of human action and the established usages of all commercial nations, has been found necessary to impel even the most conscientious officials to extraordinary vigilance in the detection of frauds and the punishment of crimes.

At all events, inasmuch as the resolution of the House does not require the committee to propose any alterations in existing laws on this subject, they will refrain from troubling the House with any specific suggestions in regard to it. Before they could do so intelligently, they must open new fields of inquiry, and more thoroughly explore those into which they have found time to enter. They therefore submit the testimony on this branch of the subject to the careful consideration of the House.

2. As to the ownership and rents of the bonded warehouses at the city of New York.

Upon this branch of the inquiry the committee would refer to the testimony of Hamilton Bunce, deputy collector of the port of New York, on the 9th of September, 1862, and also to the testimony of Mr. Barney, collector of the port, taken on the 10th of September, 1862, and on the 10th of January, 1863. Their explanations satisfied the committee that there were no serious objections to the course of business at New York, so far as concerns this class of warehouses. They seem to be convenient and necessary to facilitate commerce in a large city. They have long existed, and have been a part of the machinery of the revenue system. They are not a monopoly. The testimony shows that any person in the city of New York, on application to the collector for authority to have any suitable building belonging to him designated as a bonded warehouse, can, on giving sufficient bonds, be accommodated. The warehouses of this class are numerous. The price of storage therein is regulated by the Chamber of Commerce. And the committee are of the opinion that the amount of profits to the owners arising from this source is not large.

3. As to the remaining branch of the resolution concerning the terms, consideration, and profits of the labor contract for the storing, hauling, and delivery of foreign goods, &c.

The labor contract referred to had reference to a contract for the hauling of sample goods from the ships and docks to the appraisers' stores for the purpose of being examined by the United States appraisers; for the unpacking of the boxes, cases, &c., in which the goods were contained, and for the repacking and return of the same to the owners after appraisal.

This contract was made by Mr. Secretary Cobb with certain parties in New York, September 5, 1859. It was to continue in force for three years. Previous to this time labor had been performed by

the government itself through its employés, and not by contract. It was alleged that many abuses and much favoritism had been practiced under the old system. And, though the contract price agreed upon by Mr. Cobb was a large one, the new system was then deemed an improvement and reform upon the old one. Inasmuch as it is proverbially true that private individuals can generally perform the same amount of work cheaper than government can, it is not strange that these contractors should make pretty large profits under their contracts. But the committee regret that such enormous profits should have grown out of this change of system.

This contract continued in force until it expired by its own limitation, viz: September 5, 1862. On the 11th of May, 1861, this contract (for what remained unexpired of the three years,) was assigned to other parties, and the labor was performed under it by these assignees till it expired. The evidence shows that large profits were made under it by the assignees, as had theretofore been the case by the assignees. The committee are not aware that any serious fault was found with the manner in which the mere labor was done under the contract. But some abuses had grown up under it. And it was believed that this labor could be performed by the government for a sum less than was paid by the terms of this contract, and that economy demanded a return to the old system with such modifications and reforms as experience had suggested.

Consequently the contract of 1859 was allowed to expire, and a new one was not made. This important and expensive branch of the revenue business at New York is now restored to the special control of the collector of the port. Mr. Barney, in his testimony, estimates that this labor can be performed at an annual saving to the government of \$37,000 compared with the prices paid by virtue of the contract of 1859. Experience will prove whether this estimate is correct.

The committee would refer the House to the testimony on all the points above suggested.

Finally, in regard to the general course of business in those departments of the public service in New York city, into which the committee were directed to make inquiry, they would say, in conclusion, that there are more or less abuses of the administration of a system so vast and varied as that under consideration. Some of these abuses are probably incidental to the working of our complicated revenue laws and regulations at the principal port of entry and departure in this country, and which we are proud to call one of the great marts of the world. Some abuses have probably crept in by lapse of time, by cupidity on the part of officials, and occasional lack of vigilance. But the committee deem it but just to add, in this connexion, that there was no proof before them tending to show that these abuses were more numerous now than they have been heretofore.

E. B. WASHBURNE, *Chairman.*
R. E. FENTON.
WM. S. HOLMAN.
H. L. DAWES.
W. G. STEELE.

The following is a copy of the general order of the War Department referred to in this report :

GENERAL ORDERS No. 43.

WAR DEPARTMENT, ADJUTANT GENERAL'S OFFICE,
Washington, February 13, 1863.

I. Before a general court-martial, which convened in the city of Saint Louis, Missouri, September 24, 1862, pursuant to Special Orders No. 239, dated head quarters of the army, September 13, 1862, and Special Orders No. 260, dated September 25, 1862, and of which Brigadier General P. St. George Cooke, United States army, is president, was arraigned and tried Major Justus McKinstry, quartermaster, United States army.

Charge.—"Neglect and violation of duty to the prejudice of good order and military discipline."

Specification 1.—"In this : that he, Major Justus McKinstry, quartermaster, at St. Louis, Missouri, in the department of the west, when one Peter Wiles, of Saint Louis, had furnished to his department a number of horses fit and proper for the service, at about the price of one hundred dollars each, and was able and willing to furnish other like horses at the same cost, and offered to do so, refused to purchase said horses, unless at a reduced price, and broke off his dealing with said Wiles, while he, said McKinstry, was purchasing from other persons—viz : Charles M. Elleard, B. F. Fox, Almon Thomson, F. J. Flannegon, James B. Neill, and others—horses no better, at the prices of one hundred and nineteen dollars and one hundred and fifty dollars each, to the gross waste and squandering of the public funds, and with the intent to throw the business into the hands of the dealers to whom he was paying the higher prices. This at Saint Louis, Missouri, on or about the tenth day of August, eighteen hundred and sixty-one."

Specification 2.—"In this : that he, Major Justus McKinstry, quartermaster, Saint Louis, Missouri, knowing that by allowing to one Peter Wiles, of the city of Saint Louis, a commission of five per cent. on the purchase price of the horses, he could procure a large number of horses fit and proper for the service, and at a cost not exceeding one hundred dollars each, did not and would not purchase said horses, while, about the same time, he purchased other horses no better and at higher prices, to net one hundred and nineteen dollars each and one hundred and fifty dollars each, from other persons, to wit : Charles M. Elleard, James B. Neill, F. J. Flannegon, Ansyl Philips, and others, with intent to favor the purchasers at higher prices, and to the gross waste and squandering of the public funds. This at Saint Louis, about the tenth day of August, eighteen hundred and sixty-one."

Specification 3.—"In this : that he, Major Justus McKinstry, quartermaster as aforesaid, at Saint Louis, Missouri, when one Frederick M. Colburn, of the city of Saint Louis, had furnished to his department a number of cavalry horses fit and proper for the service, at the price of one hundred and eight dollars each, and was able and willing to furnish other like horses at the same cost, and offered to do so, refused and failed to inspect or receive said Colburn's horses, and by neglecting to attend to said Colburn when he offered his horses, by refusing to grant him inspection, and by annoying said Colburn with delays and expenses, in keeping and feeding his horses without inspection, broke off his dealings with said Colburn, while he, Major McKinstry, quartermaster as aforesaid, was purchasing other horses no better than Colburn's from other persons, viz : James B. Neill, Almon Thomson, Charles M. Elleard, and F. J. Flannegon, at the price of one hundred and nineteen dollars each, to the waste and squandering of the public funds, and with intent to throw the business into the hands of the dealers to whom he was paying the higher prices. This

about August twenty-second, eighteen hundred and sixty-one, at Saint Louis, Missouri."

Specification 4.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, at Saint Louis, Missouri, having contracted with one Oliver Lippencott to purchase from him, Lippencott, twelve mules at the price of ninety dollars each, and said Lippencott having brought said mules to the quartermaster's office for delivery, failed and refused to have said mules inspected or considered under said contract, but sent one Ansyl Philips, from whom he, said McKinstry, was purchasing mules at one hundred and nineteen dollars each, to purchase the said mules from Lippencott; and when said Philips had purchased of said Lippencott seven of said mules at the price of seventy-five dollars each, he, said McKinstry, purchased the same seven mules from said Philips at a higher price, to wit, one hundred and nineteen dollars each, to the gross waste and squandering of the public funds, and with intent to favor the said Philips as a dealer. This about the eighth day of August, eighteen hundred and sixty-one, at Saint Louis, Missouri."

Specification 5.—"In this: that he, Major Justus McKinstry, quartermaster at Saint Louis, when one Oliver Lippencott offered to sell him five mules at ninety dollars each, failed and refused to purchase said mules from Lippencott; and when said Lippencott had sold said mules to a government contractor, whose name is unknown, he, said Major McKinstry, purchased the same five mules from said contractor at the price of one hundred and nineteen dollars each, with intent to favor such contractor, and to the gross waste and squandering of the public funds. This about the twentieth day of August, eighteen hundred and sixty-one."

Specification 6.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, when one John H. Morse, of Jefferson county, Missouri, went to him at his office in Saint Louis, Missouri, and offered to sell him a large number of mules fit and proper for the service, and inquired if he was going to purchase any more mules, falsely stated to said Morse that the government was not in need of any more, which statement he, said McKinstry, knew to be false, thereby intending to compel said Morse to sell his mules to others, from whom he, McKinstry, was then purchasing these animals at exorbitant rates above the market value. This at Saint Louis, about the first day of August, eighteen hundred and sixty-one."

Specification 7.—"In this: that he, Major Justus McKinstry, quartermaster as aforesaid, having need, on or about the tenth day of August, eighteen hundred and sixty-one, to purchase for his department a large number of cavalry horses, did not and would not purchase them in the market nor for the market value; but authorized one Charles M. Elleard, of Saint Louis, without any advertisement for proposals, to furnish the same to him at one hundred and nineteen dollars each; and between that day and the twentieth day of September, in the same year, said Elleard had sold to said McKinstry, quartermaster as aforesaid, about one thousand eight hundred cavalry horses, the market value of which was about ninety dollars only, each, on the average; he, said Major McKinstry, thereby then and there prostituting his office of quartermaster, with intent to secure to said Elleard, and others in collusion with him, large gains, to the squandering and waste of the public funds and the disgrace of the service."

Specification 8.—"In this: that he, Major Justus McKinstry, quartermaster as aforesaid, on or about the tenth day of August, eighteen hundred and sixty-one, having need to purchase a number of artillery horses for his department at Saint Louis, Missouri, did not and would not purchase them in the market nor for the market value; but, without any advertisement for proposals, authorized one Charles M. Elleard, of Saint Louis, to furnish the same to him at one hundred and fifty dollars each; and between that day and the twentieth day of September, in the same year, said Elleard sold to said McKinstry, quartermaster

as aforesaid, about three hundred artillery horses for one hundred and fifty dollars each, the market value of which, on the average, was about one hundred and ten dollars only, each; he, said Major Justus McKinstry, thereby then and there prostituting his office as quartermaster, with intent to secure to said El-leard, and others in collusion with him, large gains, to the waste and squandering of the public funds and to the disgrace of the service."

Specification 9.—"In this: that he, Major Justus McKinstry, quartermaster as aforesaid, on or about the first day of August, eighteen hundred and sixty-one, at Saint Louis, Missouri, having need to purchase for his department a large number of cavalry horses and mules, did not and would not purchase the same in the market nor for the market value; but, without any advertisement for proposals, authorized one James B. Neill to furnish the same at one hundred and nineteen dollars each; and on that day, and divers days between that day and the first day of October in the same year, said Neill had sold to said Major McKinstry, quartermaster as aforesaid, about one thousand cavalry horses and mules for one hundred and nineteen dollars each, the market value of which was about eighty dollars each; he, the said Major Justus McKinstry, quartermaster, thereby then and there prostituting his office, with intent to secure to said Neill, and others in collusion with him, large gains, to the waste and misapplication of the public funds and the disgrace of the service."

Specification 10.—"In this: that he, Major Justus McKinstry, quartermaster as aforesaid, on or about the first day of August, eighteen hundred and sixty-one, having need to purchase a large number of artillery horses for his department, did not and would not purchase the same in the market nor for the market value; but, without any advertisement for proposals, at Saint Louis, Missouri, authorized one James B. Neill, of Saint Louis, to furnish the same to him at one hundred and fifty dollars each; and between that day and the sixth day of October, eighteen hundred and sixty-one, said Neill sold to said Major McKinstry, quartermaster as aforesaid, about three hundred artillery horses at the price of one hundred and fifty dollars each, the market value of which was about one hundred and ten dollars each, on the average; he, said Major McKinstry, thereby then and there prostituting his office, with intent to secure to said Neill, and others in collusion with him, large gains, to the misapplication and waste of the public funds and the disgrace of the service."

Specification 11.—"In this: that he, Major Justus McKinstry, quartermaster at Saint Louis, on or about the twelfth day of September, eighteen hundred and sixty-one, having need to purchase a large number of mules for his department, did not and would not purchase the same in the market nor for the market price; but, at Saint Louis, Missouri, without any advertisement for proposals, authorized one Leonidas Haskell, of Saint Louis, late of California, to furnish the same to him at the price of one hundred and nineteen dollars each; and between that day and the twenty-seventh day of September, in the same year, said Haskell sold to Major Justus McKinstry, quartermaster, about four thousand mules at one hundred and nineteen dollars each, the market value of which was about one hundred dollars each, on the average; he, said Major Justus McKinstry, thereby then and there prostituting his office as quartermaster, with intent to secure to said Haskell large gains, to the waste and misapplication of the public funds and to the disgrace of the service."

Specification 12.—"In this: that he, Major Justus McKinstry, at Saint Louis, Missouri, about the twentieth day of August, eighteen hundred and sixty-one, having need to purchase artillery and cavalry horses for the use of his department, did not and would not purchase the same in the market nor for the market value; but, without any advertisement for proposals, authorized one F. J. Flannegon, of Saint Louis county, to furnish the same to him; that is to say, artillery horses for one hundred and nineteen dollars each, and cavalry horses for one hundred and eighteen dollars each; and in the residue of said month o

August, and in the month of September, eighteen hundred and sixty-one, said Flannegon delivered under said authority about two hundred artillery horses at the price of one hundred and nineteen dollars each, the market value of which was only about ninety dollars each; he, said Major Justus McKinstry, quartermaster as aforesaid, thereby intending to secure to said Flannegon large gains, to the waste and squandering of the public funds."

Specification 13.—"In this: that he, Major Justus McKinstry, on or about the twentieth day of August, eighteen hundred and sixty-one, having need to purchase a large number of artillery horses and cavalry horses for his department, did not and would not purchase the same in the market nor for the market value; but, without any advertisement for proposals, authorized one Benjamin F. Fox, of Springfield, Illinois, to furnish the same to him at one hundred and nineteen dollars each for cavalry horses, and one hundred and fifty dollars each for artillery horses; and between that day and the first day of October, in the same year, said Fox sold to said Major Justus McKinstry about five hundred cavalry horses for one hundred and nineteen dollars each, the market value of which was about ninety dollars each, and about two hundred artillery horses, the market value of which was about one hundred dollars each; he, the said Major Justus McKinstry, thereby then and there prostituting his office of quartermaster, with intent to secure large gains to said Fox, to the waste and squandering of the public funds and the disgrace of the service."

Specification 14.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, having, about the 20th August, 1861, at St. Louis, Mo., contracted with one Benjamin F. Fox, of Illinois, to furnish him, as quartermaster, a number of artillery horses for the price of one hundred and twenty-five dollars each, afterwards, when said Fox was performing his contract and was about to deliver a portion of the horses at that price, afterwards, about the 12th of September, 1861, out of mere favor to said Fox, and without any other consideration, agreed with said Fox to pay him one hundred and fifty dollars each for the same horses which said Fox had contracted to furnish at one hundred and twenty-five dollars each, and did receive from said Fox said horses accordingly, at the price of one hundred and fifty dollars each."

Specification 15.—"In this: that he, Major Justus McKinstry, quartermaster as aforesaid, having authorized, as aforesaid, James B. Neill to furnish to his department cavalry horses for one hundred and nineteen dollars each, and artillery horses for one hundred and fifty dollars each, did suffer and permit said Neill to inspect, receive, and brand his own horses so sold to him, said McKinstry. This at St. Louis, on the eighteenth, nineteenth, and twentieth days of September, 1861, to the gross neglect and disregard of the interests of the service."

Specification 16.—"In this: that he, Major Justus McKinstry, quartermaster, having authorized James B. Neill, as aforesaid, to furnish him artillery horses and cavalry horses as aforesaid, did suffer and permit said Neill to receive and brand horses as cavalry horses, furnished by himself as cavalry horses, at one hundred and nineteen dollars each, and afterwards to brand the same as artillery horses, and did receive the same from said Neill as artillery horses, at the price of one hundred and fifty dollars each. This at St. Louis, about the 10th of September, 1861."

Specification 17.—"That on or about the — day of —, 1861, when one Almon Thompson offered to sell to him, Major Justus McKinstry, quartermaster aforesaid, a number of mules, about seventy, fit and proper for the service, and when said mules were greatly needed in the service, he said McKinstry, did not or would not purchase said mules, nor cause the same to be inspected for a long time, nor until said Thompson paid one James B. Neill fifty dollars to have his mules purchased, and then said McKinstry had said mules inspected, and purchased the same; he, said McKinstry, thereby then and there prostituted his office, with intent to favor the said James B. Neill."

Specification 18.—"In this: that he, Major Justus McKinstry, quartermaster as aforesaid, when one James Everett, of Saint Louis, Missouri, about the 28th August, 1861, offered to sell him a large number of horses fit and proper for the service, some of them as cavalry and some of them as artillery horses, and would have sold them to him at about one hundred dollars each all round, refused and neglected to purchase said horses, or inspect the same, and did not and would not inspect the same till said Everett was compelled to sell his horses to Charles M. Elleard and F. J. Flannegon and others, to whom said Major McKinstry was paying higher prices for said horses; and when said Everett had so disposed of the horses, he, Major Justus McKinstry, purchased the same horses from Elleard and Flannegon and others, at one hundred and nineteen dollars each for cavalry, and one hundred and fifty dollars each for artillery horses, to the waste and squandering of the public funds; he, said McKinstry, thereby then and there intending to compel said Everett to turn his horses over to said Elleard and Flannegon and others, contractors at higher prices, and to enable them to make large gains above the market value of said animals." This at Saint Louis, on or about September 6, 1861."

Specification 19.—"In this: that he, Major Justus McKinstry, quartermaster, at St. Louis, when one John Allen, of St. Louis, was able and willing to sell him a large number of mules and cavalry and artillery horses fit and proper for the service, and offered to do so, the cavalry and artillery horses at about one hundred and five dollars each, and the mules at about one hundred and nine dollars each, failed, neglected, and refused to inspect or purchase said animals, until said Allen had been compelled to sell them to contractors, to whom he, McKinstry, was paying higher prices, to wit: one hundred and nineteen dollars each for mules and cavalry horses, and one hundred and fifty dollars each for artillery horses; that is to say, to B. F. Fox, of Illinois, Charles M. Elleard, Leonidas Haskell, James B. Neill, of St. Louis, and F. J. Flannegon and others; and when said Allen had so sold his animals, he, said McKinstry, did purchase the same animals from said contractors for the prices last mentioned, thereby prostituting his office as quartermaster, with intent to secure large gains above the market value to said Elleard, Flannegon, Haskell, Fox, and others, to the waste and squandering of the public funds. This about the 20th September, 1861, at St. Louis, Missouri."

Specification 20.—"In this: that he, Major Justus McKinstry, quartermaster as aforesaid, when one Josephus Irvine, of Pike county, Missouri, was able and willing, and offered to sell to him a large number of horses and mules fit and proper for the service, at one hundred and ten dollars each, and to enter into bonds to comply therewith, he, said Major McKinstry, falsely stated to said Irvine that government did not want any more stock, and did not and would not purchase from said Irvine, notwithstanding he, said Major Justus McKinstry, quartermaster aforesaid, was, at the same time, purchasing horses and mules no better than said Irvine's from other persons—that is to say, F. J. Flannegon, James B. Neill, B. F. Fox, Charles M. Elleard, and others—for one hundred and nineteen dollars, thereby then and there intending to compel said Irvine to sell his mules to persons to whom he was paying higher prices, to the waste and misapplication of the public funds. This on or about the twentieth September, 1861."

Specification 21.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, when one Robert P. Coffey, of the city of St. Louis, was desirous of selling to government a large number of mules fit and proper for the service, at one hundred and eight dollars each, and offered them to said Major McKinstry, he, said McKinstry, failed and refused to purchase the same until said Coffey had been compelled to sell them to one Captain Leonidas Haskell, at one hundred and eight dollars each, in Missouri Bank paper, after which he, said Major McKinstry, purchased the same mules from said Haskell at the price of one

hundred and nineteen dollars each, with intent to secure to said Haskell large gains above the market value of said animals, and to the waste and squandering of the public funds and the disgrace of the service."

Specification 22.—"In this: that he, Major Justus McKinstry, having purchased of one Robert W. Peay, of the city of St. Louis, two hundred and ninety mules for the service, at the price of one hundred and ten dollars each, on or about the 20th day of September, 1861, afterwards issued to one James B. Neill, of the city of St. Louis, a voucher for the same mules as if sold to the United States by said Neill. Said voucher is in the words and figures following, to wit:

'No. 12.

'*The United States to James B. Neill, Dr.*

'1861.

| | | |
|-------------|-----------|-----------------------------|
| 'August 16, | 40 mules, | } at \$119.....\$39, 984 00 |
| " 17, | 6 " | |
| " 20, | 263 " | |
| " 21, | 27 " | |

'I certify that the above is correct and just, and that the articles have been accounted for on my property return for the quarter ending on the 30th of September, 1861.

'J. MCKINSTRY,

'*Major and Senior Quartermaster.*

'Received at ———, the ——— of ———, 186—, of ———, quartermaster, United States army, the sum of thirty thousand nine hundred and eighty-four dollars and ——— cents, in full of the above account.

('Signed in duplicate.)

'JAMES B. NEILL.'

"The charge for two hundred and sixty-three mules, under date of 20th, and of twenty-seven mules, under date 21st, in said voucher, being the same mules sold by said Peay to said Major McKinstry, which said voucher was and is false; in this, that said two hundred and ninety mules were not sold to said McKinstry by said Neill at all, but were sold by Robert W. Peay to said McKinstry, quartermaster as aforesaid, for one hundred and ten dollars each, and not for one hundred and nineteen dollars each, as stated in the voucher; he, said Major Justus McKinstry, thereby intending to secure to said Neill, or others in collusion with him, large gains by means of said false voucher, to the waste and squandering of the public funds and the disgrace of the service."

Specification 23.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, when, about the first day of September, 1861, one Robert W. Peay, of St. Louis, was able and willing to furnish to his department about eight hundred mules, during the residue of said month, for about the sum of one hundred and eight dollars each, in Missouri Bank paper, and offered to contract with him to furnish said mules of quality, fit and proper for the service, failed, neglected, and refused to entertain the proposition of said Peay, and told said Peay the government did not want any more mules then; but afterwards, when said Peay had sold his mules to one Leonidas Haskell, from whom he, Major Justus McKinstry, quartermaster aforesaid, was purchasing mules at one hundred and nineteen dollars each, and said Haskell had purchased said Peay's mules for one hundred and eight dollars each in said Missouri Bank paper, he, said Major McKinstry, purchased the same mules from said Haskell as fast as said Peay turned them over to Haskell, he, said McKinstry, taking every one from said Haskell at one hundred and nineteen dollars each, to the number of about eight hundred. This on the first day of September, and on divers days between

that and the seventh day of October, 1861, at St. Louis, Mo.; he, said Major McKinstry, intending thereby to secure large gains to said Haskell above the market value of said animals, to the wastage of the public funds."

Specification 24.—"In this: that he, Major McKinstry, quartermaster aforesaid, on the first day of July, 1861, and on divers days between that and the sixth day of October, in the same year, as quartermaster aforesaid, did purchase, altogether, a large number of horses for the service—to wit: about fifteen hundred—at rates of about one hundred and fifty dollars for artillery, and one hundred and nineteen dollars for cavalry per head, which were unfit for the service, and almost worthless, from being too young or too old, blind, weak-eyed, damaged, worn out, or diseased; he, said Major Justus McKinstry, acting in that behalf in gross carelessness and disregard of the interests of the service, to the misapplication and wasting of the public funds."

Specification 25.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, did, on the first day of July, 1861, and on divers days between that day and the sixth October, in the same year, at St. Louis, Mo., did purchase for his department a large number of mules at one hundred and nineteen dollars each—viz: altogether about one thousand mules—which were unfit for the service, and almost worthless, from being too old or too young, blind, weak-eyed, damaged, worn out, or diseased; he, said Major McKinstry, acting in that behalf in gross carelessness and disregard of the interest of the service, to the waste and squandering of the public funds."

Specification 26.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, having, on or about the tenth day of August, 1861, authorized one Charles M. Elleard, without any previous advertisement for proposals, to furnish to his department a large number of artillery and cavalry horses, at the price of one hundred and fifty dollars for artillery horses, and one hundred and nineteen dollars for cavalry horses, said prices being exorbitant and above the market values, and said contract being worth about the sum of forty thousand dollars to said Elleard, he, said Major Justus McKinstry, in consideration of granting such a favor to said Elleard, undertook to appropriate a portion of said profits; that is, he, said Major McKinstry, required said Elleard to allow one P. Brady, of Detroit, Michigan, to share with him equally said profits; and though said Elleard did not want said Brady as a partner, and said Brady was of no use to said Elleard, yet, in consideration of securing the favor of said Major McKinstry, as quartermaster and contracting agent of the government, and for no other consideration, he, said Elleard, consented, at McKinstry's demand, to allow said Brady to receive twenty thousand dollars, or thereabout, of said profits; he, said McKinstry, thereby prostituting his office to secure for said Brady, and others in collusion with him, said amount of money, to the disgrace of the service."

Specification 27.—"In this: that one Alfred B. Ogden, being architect for Benton barracks, with authority from Major Justus McKinstry to let out the roofing of said barracks, and said Ogden having stipulated for and received from one Henry Clapp, of St. Louis, a written order, substantially as follows: 'Major McKinstry: Please pay to the bearer, P. L. Bierce, the sum of \$700, against contract for materials furnished August 14, 1861. (Signed) Henry Clapp,' as a bribe to him, said Ogden, for accepting the bid of said Clapp, and securing to him, said Clapp, the job of roofing, and said Ogden, notwithstanding his receiving said order as a consideration for giving the job to Clapp, having failed to do so, and said Clapp having spoken of the said facts, which came to the knowledge of Major Justus McKinstry, quartermaster aforesaid, he, said McKinstry, on the twenty-third day of August, eighteen hundred and sixty-one, at St. Louis, Missouri, caused said Clapp to come before him as provost marshal of St. Louis, and the said McKinstry did then and there, by cursing and abusing said Clapp, by denouncing him as a 'liar' and a 'disunionist,' by threatening

‘to imprison’ him, said Clapp, and ‘feed him on bread and water,’ and by ordering a file of soldiers, whom he paraded before said Clapp, to seize and take him away, greatly terrify and frighten said Clapp, and by means thereof did force and compel him to sign and swear to the following statement:

‘ST. LOUIS, *August 23, 1861.*

‘Having charged Mr. Ogden, the architect of the government, with fraud in the management of the business intrusted to him by the quartermaster, I hereby revoke said charge and relieve him from the same. I hereby swear and declare that I am a good loyal citizen of the United States, and will do all that is in my power to uphold and protect the same; that I will not, directly or indirectly, give aid or information to the enemy in any manner or form.

‘HENRY CLAPP.

‘Sworn to and subscribed in presence of S. B. Brady and S. B. Lowe.’

All that portion of said statement relating to *revoking the charge of fraud and relieving said Ogden therefrom being false entirely*, and being extorted from said Clapp against his free will and consent, by the means aforesaid, employed by said Major J. McKinstry, to the great oppression of said Henry Clapp and to the deep disgrace of the service.”

Specification 28.—“In this: that he, Major Justus McKinstry, quartermaster, when one Alexander Largue, of the city of St. Louis, on or about September 10, 1861, offered to sell to him a lot of covered canteens, 4,000 in number, fit and proper for the service, for 36½ cents each, and offered to contract to deliver to him a very large quantity of such canteens for the same price, to be delivered to suit the convenience of said Quartermaster McKinstry, failed and refused to purchase the same or contract with said Largue in that behalf, but referred him to one S. B. Brady, of Detroit, Michigan, who then and there purchased the same 4,000 canteens from Largue at 36½ cents each, and afterwards sold them to the quartermaster’s department at St. Louis, Missouri, through Captain W. G. Rankin, a junior quartermaster, for 44 cents each, who issued to said Brady a voucher, which, so far as relates to said canteens, is in the words and figures following, to wit:

‘*United States to S. P. Brady.*

‘1861.

‘October 4.—For 4,000 canteens, 44 cents..... \$1,760 00

‘I certify that the above account is correct and just, and that the articles have been accounted for on my property return for the quarter ending on the 31st December, 1861.

‘W. G. RANKIN,

‘*Captain 13th Infantry.*’

That he, said McKinstry, did suffer and permit said Brady so to purchase and sell said canteens, to the gross neglect and disregard of the interest of the service, and with intent to secure to said Brady a speculation on the same.”

Specification 29.—“In this: that he, Major Justus McKinstry, quartermaster aforesaid, on or about the nineteenth day of August, 1861, having need to purchase for his department a large number of common tents, did not and would not suffer one Henry Martin, of the city of St. Louis, to sell them to him at the market value; but when said Martin wrote him a note, offering to furnish him a large number, referred said Martin to one Joseph S. Pease, who charged said Martin a commission of five per cent. on the value of all the tents he, said Martin, sold to him, Pease; and when said Pease had in this way purchased the tents from Martin, he, Major McKinstry, quartermaster aforesaid, purchased the same tents from Pease at a price which enabled said Pease to make said com-

mission clear; he, said Major McKinstry, thereby prostituting his office, with intent to secure to said Pease said commission from said Martin, to the oppression of said Martin and to the disgrace of the service."

Specification 30.—"In this: that on or about the first day of August, 1861, he, said Major Justus McKinstry, quartermaster aforesaid, gave to one Joseph S. Pease the control of the business of purchasing tents for his department in the city of St. Louis, in so far as to enable said Pease to compel tent-makers to pay him, Pease, a commission in order to sell their tents; and when one Horace Hallon had paid to said Pease a commission of five per cent. on a large number of tents which he sold Pease, he, said Major J. McKinstry, purchased the same tents from said Pease at a price which enabled said Pease to make said commission clear; he, said Major Justus McKinstry, thereby prostituting his office, with intent to compel said Holton to pay such commission to said Pease, to the great oppression of said Holton and to the disgrace of the service."

Specification 31.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, on or about the first day of August, 1861, gave to one Joseph S. Pease control of the business of purchasing tents for his department in the city of St. Louis, in so far as to enable said Pease a commission in order to sell their tents; and when John G. Dodge, of said city, had so paid to said Pease a commission of two and a half per cent. on a large number of tents he sold him, he, said Major McKinstry, quartermaster aforesaid, purchased the same tents from Pease at a price which left said Pease to retain said commission, thereby prostituting his office, with intent to secure said commission to Pease, to the oppression of the said Dodge."

Specification 32.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, on or about the first day of August, 1861, gave to one Joseph S. Pease control of the business of purchasing tents for his department in the city of St. Louis, in so far as to enable said Pease to compel tent makers to pay him, Pease, a commission in order to sell their tents; and when James Sanders, of said city, had so paid to said Pease a commission of five per cent. on a large number of tents he sold him, he, said Major McKinstry, quartermaster aforesaid, purchased the same tents from Pease at a price which left said Pease to retain said commission, thereby prostituting his office, with intent to secure said commission to Pease, to the oppression of said Sanders."

Specification 33.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, on or about the first day of August, 1861, gave to one Joseph S. Pease control of the business of purchasing tents for his department in the city of St. Louis, in so far as to enable said Pease to compel tent-makers to pay him, Pease, a commission in order to sell their tents; and when Malcolm McQuaig, of said city, had so paid to said Pease a commission of — per cent. on a large number of tents he sold him, he, said Major McKinstry, quartermaster aforesaid, purchased the same tents from Pease at a price which left said Pease to retain said commission, thereby prostituting his office, with intent to secure said commission to Pease, to the oppression of the said McQuaig."

Specification 34.—"In this: that he, Major Justus McKinstry, quartermaster as aforesaid, having need, on or about the first day of August, 1861, to purchase tents for his department, did not and would not purchase the same in the market nor for the market value, but authorized one Joseph S. Pease, a relative by marriage, to furnish the same for him; and when one Clemens & Co., tent-makers, of the city of St. Louis, had sold to said Pease a lot of one hundred tents for twenty-two dollars each, he, Major McKinstry, purchased from said Pease the same tents for thirty dollars each, he, said McKinstry, thereby then and there intending to secure to said Pease, and others in collusion with him, large gains, to the waste and squandering of the public funds."

Specification 35.—"In this: that he, Major J. McKinstry, on or about the 1st day of August, 1861, having need to purchase for his department a large

number of tents, did not and would not purchase the same in the market nor for the market value, but authorized one Joseph S. Pease to furnish the same to him; and when said Pease in this way had purchased from John G. Dodge a number of tents at the same price for which said Dodge would have sold them to said Major McKinstry, quartermaster as aforesaid, he, said McKinstry, purchased the same tents from said Pease at a large advance on the price which said Pease had paid to Dodge. This on the 1st day of August, 1861, and on divers days between that day and the sixth day of October, 1861, at St. Louis, Missouri."

Specification 36.—"In this: that he, Major J. McKinstry, quartermaster, on or about the 1st day of August, 1861, having need to purchase tents for his department, did not and would not purchase the same in the market nor for the market value, but authorized one Joseph S. Pease to furnish him the same; and when said Pease had purchased of one John G. Dodge, a tent-maker of the city of St. Louis, a lot of tents for fifty-five dollars each, he said McKinstry, then and there purchased the same tents of said Pease at the price of sixty-five dollars each; he, said Major McKinstry, thereby intending to secure to said Pease, and others in collusion with him, large gains over the market value of the articles purchased. This on the day last mentioned, and divers other days between that day and the 6th October, 1861, at St. Louis, Missouri."

Specification 37.—"In this: that he, Major J. McKinstry, quartermaster aforesaid, on or about the 26th day of July, 1861, having need to purchase a large number of tents for his department of all descriptions, did not and would not purchase the same in the market nor for the market value, but authorized one Joseph S. Pease to purchase up the tents in the St. Louis market, and to contract to purchase these articles from the tent-makers of the city at the best terms he could procure; and when he, said Pease, had so procured the tents, he, Major McKinstry, purchased the same tents from Pease at a large advance on the prices which Pease paid, and at which he, McKinstry, might have procured them himself directly from the tent-makers, thereby intending to secure large gains to said Pease, and others in collusion with him, to the misapplication and squandering of the public funds. This at Saint Louis, on the day last mentioned, and on divers days between that day and the 6th October, 1861."

Specification 38.—"In this: that he, Major Justus McKinstry, on or about the 9th day of August, 1861, and on divers days between that day and the sixth day of October, 1861, having need to purchase mess-pans for his department, did not and would not purchase the same in the market nor for the market price; but, without any advertisement for proposals, authorized Messrs. Child, Pratt & Fox, hardware merchants, of Saint Louis, Missouri, to furnish him, as quartermaster, with said articles; and said Child, Pratt & Fox, between the days aforesaid, at divers times, purchased of one Giles F. Filley, of the city of St. Louis, about six thousand mess-pans at about $29\frac{1}{2}$ cents each; and when said Child, Pratt & Fox had so purchased said articles, he, said Major Justus McKinstry, purchased from said Child, Pratt & Fox the same mess-pans for 35 cents each, which was an exorbitant price; thereby then and there intending to secure large gains above the market value of said articles to said Child, Pratt & Fox, and others in collusion with them, to the waste of the public funds, and gross neglect and disregard of the interests of the service."

Specification 39.—"In this: that he, Major Justus McKinstry, quartermaster as aforesaid, on or about the 9th day of August, 1861, and on divers days between that day and the 6th day of October, 1861, having need to purchase camp-kettles for his department, did not and would not purchase the same in the market nor for the market value; but, without any advertisement for proposals, authorized Messrs. Child, Pratt & Fox to furnish him, as quartermaster, with said articles; and said Child, Pratt & Fox, on the days and at divers times between the days last mentioned, purchased of Giles F. Filley, of St. Louis,

about five thousand camp-kettles at about 42½ cents each; and when, and as fast as said Child, Pratt & Fox had so purchased the said articles, he, said Major Justus McKinstry, purchased from said Child, Pratt & Fox the same camp-kettles for sixty-five cents each, which was an exorbitant price; thereby then and there intending to secure large gains to said Child, Pratt & Fox, and others in collusion with them, to the gross neglect and disregard of the interest of the service and to the waste of the public funds."

Specification 40.—"In this: that he, Major McKinstry, quartermaster aforesaid, on the — day of September, 1861, and on divers days between that day and the sixth day of October, 1861, having need to purchase tin plates for his department, did not and would not purchase the same in the market nor for the market price, but authorized said Child, Pratt & Fox, without any advertisement for proposals, to furnish the same to him as quartermaster; and said Child, Pratt & Fox, on the days aforesaid, and on divers days between those days, purchased of Oliver D. Filley, of the city of St. Louis, about fifteen hundred tin plates at about 4½ cents each; and when said Child, Pratt & Fox had so purchased said tin plates, and as fast as they purchased them, he, said McKinstry, quartermaster aforesaid, purchased from said Child, Pratt & Fox the same tin plates at seven cents each, which was an exorbitant price; thereby then and there intending to secure large gains to said Child, Pratt & Fox, and others in collusion with them, to the gross neglect and disregarding the interests of the service, and to the waste of the public funds."

Specification 41.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, on the 1st day of August, 1861, and on divers days between that day and the 6th day of October, 1861, having need to purchase picket-pins for his department, did not and would not purchase them in the market nor for the market value; but, without any advertisements for proposals, authorized Child, Pratt & Fox to furnish the same to him as quartermaster aforesaid; and said Child, Pratt & Fox, on the days aforesaid, and between those days, at divers times, purchased in the city of St. Louis, of one Peter J. Pauley, about two thousand picket-pins at 45 cents each for a portion, and 35 cents each for the residue, and when they had so purchased said picket-pins, and as fast as they purchased them, he, Major J. McKinstry, quartermaster aforesaid, purchased the same picket-pins from said Child, Pratt & Fox at the price of 65 cents each, which was an exorbitant price; he, the said McKinstry, thereby intending to secure to Child, Pratt & Fox large gains above the market value of these articles, to the gross neglect and disregard of the interests of the service, and to the waste of the public funds."

Specification 42.—"In this: that he, Major Justus McKinstry, quartermaster as aforesaid, having had from one Thomas Hood, on or about the 9th day of April, 1861, a written proposal to furnish to his department picket-pins of quality fit and proper for the service, at the price of 25 cents each, and knowing that he could purchase in the market, in the city of St. Louis, as many picket-pins of the like quality, from the said Thomas Hood, as was needed for his department, at about 25 cents each, did not and would not purchase the same; but, without accepting said Thomas Hood's bid, and without seeking to procure picket-pins at their market value, purchased from Child, Pratt & Fox about two thousand of these articles at 65 cents each, intending to secure large gains to said Child, Pratt & Fox, and others in collusion with them, to the waste and squandering of the public means, and to the gross neglect and disregard of the public interest."

Specification 43.—"In this: that he, Major McKinstry, on or about the 27th September, 1861, at St. Louis, having need to purchase overcoats for his department, did not and would not purchase the same in the market nor for the market price; but, without any advertisement for proposals, authorized Child, Pratt & Fox to furnish the same to him; and when they had purchased then

and there from Martin & Brothers, at Saint Louis, 802 overcoats for the price of seven dollars and fifty cents each, (\$7 50,) he, said McKinstry, then and there purchased the same 802 overcoats from Child, Pratt & Fox for \$10 50 each, and afterwards issued to them a voucher for the same, which, so far as relates to said overcoats, is in the words and figures following, to wit :

‘No. 12.

‘The United States to Child, Pratt & Fox, Dr.

‘1861.

‘September 26.—802 overcoats, at \$10 50..... \$8,421 00

‘I certify that the above is correct and just, and that the articles have been accounted for on my property return for the quarter ending on the 30th September, 1861.

‘J. McKINSTRY,

‘Brigadier General, Assistant Quartermaster.’

He, said McKinstry, thereby then and there intending to secure to Child, Pratt & Fox, and others in collusion with them, large gains, to the waste of the public funds.”

Specification 44.—“In this: that he, Major J. McKinstry, quartermaster aforesaid, having need, about the 17th September, 1861, at St. Louis, to purchase blouses for his department, did not and would not purchase the same in the market nor for the market value, but then and there authorized Child, Pratt & Fox to furnish the same; and when said Child, Pratt & Fox had purchased then and there of Martin & Brothers, clothiers in St. Louis, 802 blue blouses, on September 17, 1861, for \$2 25 each, he, said McKinstry, purchased from said Child, Pratt & Fox the same 802 blue blouses for \$3 each; afterwards, on the 26th September, 1861, issued to said Child, Pratt & Fox a voucher therefor, which, so far as relates to the 802 blouses, is in the words and figures following, to wit :

‘No. 12.

, The United States to Child, Pratt & Fox, Dr.

‘1861.

‘September 26.—802 blue blouses, at \$3..... \$2,406 00

‘I certify that the above account is correct and just, and that the articles have been accounted for on my property returns for the quarter ending on the 30th September, 1861.

‘J. McKINSTRY,

‘Brigadier General, Assistant Quartermaster.’

He, said McKinstry, thereby then and there intending to secure to said Child, Pratt & Fox large gains above market value of said articles, to the squandering of the public funds.”

Specification 45.—“In this: that he, Major Justus McKinstry, about the 19th September, 1861, at St. Louis, having need to purchase blouses for his department, did not and would not purchase the same in the market nor for the market price; but, without any advertisement for proposals, then and there authorized Child, Pratt & Fox, a hardware house, to furnish the said articles to him; and when, on the 19th September, 1861, at St. Louis, said Child, Pratt & Fox had purchased of Martin & Brothers, clothiers of said city, 3,000

blue blouses for two dollars each, he, said McKinstry, then and there purchased from said Child, Pratt & Fox the same 3,000 blue blouses for the price of three dollars each, and issued to said Child, Pratt & Fox therefor a voucher, of which, so far as the same relates to said blouses, the following is a copy:

‘No. 12.

‘*The United States to Child, Pratt & Fox, Dr.*

‘1861.

‘September.—3,000 blue blouses, at \$3 \$9, 000 00

‘I certify that the above account is correct and just, and that the articles have been accounted for on my property return for the quarter ending on the 30th September, 1861.

‘J. MCKINSTRY,

Major and Assistant Quartermaster.’

He, said McKinstry, then and there intending to secure thereby large gains to said Child, Pratt & Fox, and others in collusion with them, to the waste of the public funds.”

Specification 46.—“In this: that he, Major Justus McKinstry, quartermaster aforesaid, on or about the 21st September, 1861, at Saint Louis, having need to purchase soldiers’ pants for his department, did not and would not purchase the same in the market nor for the market value; but, without any advertisement for proposals, authorized Child, Pratt & Fox, hardware dealers, to furnish the same to him; and when said Child, Pratt & Fox had purchased then and there, of Messrs. Martin & Bro., nine hundred and four pairs of soldiers’ infantry pants, for the price of two dollars and fifty cents per pair, he, said Major Justus McKinstry, quartermaster, purchased from said Child, Pratt & Fox the same nine hundred and four pairs of pants at the price of three dollars and seventy-five cents per pair, and afterwards issued to said Child, Pratt & Fox a voucher therefor, which, so far as relates to said nine hundred and four pants, is in the words and figures following, to wit:

‘No. 12.

‘*The United States to Child, Pratt & Fox, Dr.*

‘1861.

‘September 26.—904 pairs pants, at \$3 75..... \$3, 390 00

‘I certify that the above account is correct and just, and that the articles have been accounted for on my property return for the quarter ending on the 30th of September, 1861.

‘J. MCKINSTRY,

‘Brigadier General and Quartermaster.’

He, said Major McKinstry, thereby then and there intending to secure to said Child, Pratt & Fox, and others in collusion with them, large gains, to the wasting of the public funds, over the market value of said articles.”

Specification 47.—“In this: that he, Major Justus McKinstry, quartermaster aforesaid, on or about the 21st September, 1861, having need to purchase for his department infantry jackets, did not and would not purchase the same in the market nor for the market price; but, without any advertisement for proposals, authorized Messrs. Child, Pratt & Fox, dealers in hardware, to furnish the same

to him; and when said Child, Pratt & Fox had purchased then and there from Messrs. Martin & Bros., clothiers, of Saint Louis, nine hundred and four jackets, at the price of \$3 75 each, he, said Major Justus McKinstry, purchased from said Child, Pratt & Fox the same nine hundred and four infantry jackets for the price of \$5 75 each; and afterwards, on the 26th September, 1861, issued to said Child, Pratt & Fox a voucher therefor, which, so far as relates to said nine hundred and four infantry jackets, is in the words and figures following, to wit:

‘No. 12.

‘The United States to Child, Pratt & Fox, Dr.

‘1861.

‘September 26.—904 infantry jackets, at \$5 75 \$5, 198 00

‘I certify that the above account is correct and just, and that the articles have been accounted for on my property return for the quarter ending on the 30th of September, 1861.

‘J. MCKINSTRY,

‘Brigadier General and Quartermaster.’

He, said McKinstry, thereby then and there intending to secure to said Child, Pratt & Fox large gains above the market value of the articles, to the waste of the public funds.”

Specification 48.—“In this: that he, Major McKinstry, quartermaster aforesaid, having need, about the 1st September, 1861, to purchase for his department cavalry equipments, did not and would not purchase the same in the market nor for the market value; but, without any advertisement for proposals, authorized Child, Pratt & Fox, hardware dealers, of St. Louis, to furnish them to him; and when said Child, Pratt & Fox had purchased in the market 293 sets of cavalry equipments for about the price of \$29 50 each, he, said McKinstry, did purchase the same cavalry equipments from said Child, Pratt & Fox for \$40 each, and afterwards issue vouchers therefor, which, so far as relates to said cavalry equipments, are in the words and figures following, to wit:

‘No. 12.

‘The United States to Child, Pratt & Fox, Dr.

‘1861.

‘September 5.—100 sets cavalry equipments, complete, at \$40 \$4, 000 00

‘I certify that the above account is correct and just, and that the articles have been accounted for on my property return for the quarter ending on the 30th September, 1861.

‘J. MCKINSTRY,

‘Brigadier General and Quartermaster.’

‘No. 12.

‘The United States to Child, Pratt & Fox, Dr.

‘1861.

‘September 12.—193 sets cavalry equipments, at \$40 \$7, 720 00

‘I certify that the above account is correct and just, and that the articles have been accounted for on my property return for the quarter ending on the 30th September, 1861.

‘J. McKINSTRY,
‘*Brigadier General and Quartermaster.*’

He, said McKinstry, thereby intending to secure to Child, Pratt & Fox large gains above the market value of the said articles, to the wasting of the public funds.”

Specification 49.—“In this: that he, Major McKinstry, quartermaster aforesaid, on or about the 25th August, 1861, at St. Louis, having need to purchase for his department covered canteens, did not and would not purchase them in the market nor for the market value; but, without any advertisement for proposals, authorized one Child, Pratt & Fox, hardware dealers, to furnish them; and said Child, Pratt & Fox, between the 28th August and the 6th of October, 1861, purchased in the market about fifteen thousand canteens, at the price of about $36\frac{1}{2}$ cents each; and as fast as said Child, Pratt & Fox purchased said covered canteens, he, said McKinstry, as quartermaster, purchased the same canteens from said Child, Pratt & Fox at the price of 60 cents each; he, said McKinstry, thereby intending to secure to said Child, Pratt & Fox large gains above the market value of said articles, to the waste and squandering of the public funds.”

Specification 50.—“In this: that he, Major Justus McKinstry, quartermaster aforesaid, issued at St. Louis, Missouri, a voucher in the words and figures following, to wit:

‘*The United States to Alexander Kelsy.*

‘1861.

| | |
|--|-----------|
| ‘July 30.—28,000 pounds hay, at 70 cents per hundred | \$196 00 |
| 514 $\frac{9}{32}$, 18,000 pounds oats, at 25 cents | 128 55 |
| 107 $\frac{8}{16}$, 6,000 pounds corn, at 25 cents, for Lieutenant Shreed’s volunteers, Cape Girardeau | 26 80 |
| ‘July 29.—3,000 bushels (105,000 pounds) oats, at 25 cents, for Major Spicer’s brigade Missouri volunteers, Mexico mis- sion | 750 00 |
| ‘Aug. 4.—5,000 bushels (175,000 pounds,) oats, at 26 cents, for Major Hatch, quartermaster, Cairo | 1,300 00 |
| | <hr/> |
| | ‘2,401 35 |
| | <hr/> |

‘I certify that the above account is correct and just, and that the articles have been accounted for on my property return for the quarter ending the 30th September, 1861.

‘J. McKINSTRY,
‘*Assistant Quartermaster.*’

Which voucher so issued was and is false, in this: that said Kelsy did not sell the United States the quantity named, nor any hay, on or about the 30th July, 1861, or any other time; did not sell the United States the quantity named, or any oats, on or about the 29th or 30th July, or 4th August, 1861, or any other time; did not sell the United States the quantity of corn named, or any quantity of corn at the time named, or any time; and said voucher was and is false in every particular; he, said Major McKinstry, thereby intending to prostitute his

office to secure to one Joseph S. Pease, to whom he delivered said voucher, some benefit contrary to the rules and regulations of the army."

Specification 51.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, having need to purchase frying-pans for his department, did not and would not purchase the same in the market nor for the market value; but, about the 1st September, 1861, authorized Child, Pratt & Fox to furnish the same to him; and when said Child, Pratt & Fox had purchased a large quantity, about five hundred frying-pans, from John Gray and Company, Pittsburg, Pennsylvania, for about seventeen cents each, he, said McKinstry, purchased the same frying-pans, from said Child, Pratt & Fox, at 50 cents each. This at St. Louis, on the 1st, 5th, 6th, 12th, 14th, 26th, and 30th days of September, 1861. Thereby then and there intending to secure to said Child, Pratt & Fox large gains above the market value of said articles, to the waste and squandering of the public funds."

Specification 52.—"In this: that he, Major McKinstry, quartermaster aforesaid, having need, about the 15th August, 1861, to purchase axes with handles for his department, he, said McKinstry, did not and would not purchase the same in the market nor for the market value; but authorized said Child, Pratt & Fox, without any advertisement for proposals, to furnish the same; and so, between the day last mentioned and the 6th October, 1861, said McKinstry purchased from said Child, Pratt & Fox about 1,200 axes with handles, at one dollar fifty cents each, the market value whereof was about one dollar and fifteen cents each to the great waste of the public funds, and the gross disregard of the public interests."

Specification 53.—"In this: that he, Major McKinstry, having need, about the 20th August, 1861, to purchase hatchets and handles for his department, did not and would not purchase them in the market nor for the market value; but, without any advertisement for proposals, authorized Child, Pratt & Fox to furnish the same to him; and in this way, on said 20th August, and on divers days between that day and October 6, 1861, purchased about one thousand hatchets and handles from said Child, Pratt & Fox, for seventy-five cents each, the market value whereof was about 47 cents each, to the great disregard of the public interests and the waste of the public funds."

Specification 54.—"In this: that he, Major Justus McKinstry, quartermaster, on or about the 4th September, 1861, at Saint Louis, having need to purchase shoes for his department, did not and would not purchase the same in the market nor for the market value, but then and there authorized one Child, Pratt & Fox, a hardware house, to furnish the same to him; and when said Child, Pratt & Fox, about the 4th September, 1861, had purchased of Maury, Drake & Co., shoe dealers, 413 pair of shoes for one dollar thirty cents each, he, said McKinstry, then and there purchased of Child, Pratt & Fox, the same 413 pair of shoes for one dollar seventy-five cents each, and issued to said Child, Pratt & Fox a voucher therefor, which, so far as relates to said 413 pair of shoes, is in the words and figures following, to wit:

'No. 12.

'The United States to Child, Pratt & Fox, Dr.

'1861.

'September 5.—413 pair shoes, at \$1 75..... \$722 75

'I certify that the above account is correct and just, and that the articles have been accounted for on my property return for the 30th September, 1861.

'J. MCKINSTRY,
'Major, Assistant Quartermaster.'

He, said McKinstry, thereby then and there intending to secure to said Child, Pratt & Fox large gains above the market value of said articles, to the waste of the public funds."

Specification 55.—"In this: that he, Major McKinstry, quartermaster aforesaid, having need, about the 20th August, 1861, to purchase shoes for his department, did not and would not purchase the same in the market nor for the market value; but, without any advertisement for proposals, authorized Child, Pratt & Fox to furnish the same to him; and when, on the day aforesaid, and between that day and the 1st October, 1861, said Child, Pratt & Fox had purchased, in the city of St. Louis, from Maury, Drake & Co., James F. Comstock & Co., Fiske, Knight & Co., North, Scott & Co., Claffin, Allen & Co., and John R. Leonberger, shoe dealers, about ten thousand pair of shoes, for about one dollar and thirty cents on the average each, he, said McKinstry, then and there purchased the same shoes, as quartermaster, from Child, Pratt & Fox, at about the price of one dollar seventy-five cents each; he, said McKinstry, thereby then and there intending to secure to Child, Pratt & Fox, large gains above the market value of said articles, to the wasting of the public funds and gross disregard of the interests of the service."

Specification 56.—"In this: that he, Major Justus McKinstry, quartermaster aforesaid, on or about the 20th July, 1861, at Saint Louis, purchased of Child, Pratt & Fox, hardware dealers, a large quantity of worthless shoes, for about one dollar seventy-five cents each, being the same lot afterwards issued to Colonel Peter E. Blond's regiment, while stationed at Ironton, Missouri; he, said McKinstry, acting in that behalf in gross neglect and disregard of the interests of the service."

Specification 57.—"In this: that on or about the 1st day of August, 1861, when a lot of worthless shoes had been issued by his department to Colonel Peter E. Blond's regiment, then stationed at Ironton, Missouri, and Oliver D. Filley and John T. Witzig had gone to his, McKinstry's, office, in Saint Louis, to inform him of the fact, and to ascertain who had sold said lot of shoes to the department, and had produced to him a sample of the shoes, he, said McKinstry, failed and refused to make the proper investigation to detect the imposition, and took away and secreted the sample of said worthless shoes, with intent to screen and protect the offending party."

Specification 58.—"In this: that he, Major McKinstry, quartermaster aforesaid, about the 1st August, 1861, having need to purchase knapsacks for his department, did not and would not purchase the same in the market nor for the market value; but, without advertisement for proposals, authorized Child, Pratt & Fox to furnish the same; and when, on the day last mentioned, and on divers days between that and the 6th October, 1861, Child, Pratt & Fox had purchased in the market about 15,000 knapsacks, at about \$2 30 each, on the average, he, said McKinstry, quartermaster, purchased the same knapsacks from Child, Pratt & Fox at from \$3 25 each to \$3 50 each; he, said McKinstry, thereby intending to secure to Child, Pratt & Fox large gains above the market value of said articles, to the wasting of the public funds, and gross disregard of the interests of the service."

Specification 59.—"Between the 15th August, 1861, and 1st October, 1861, McKinstry bought of Child, Pratt & Fox over 20,000 pairs of soldiers' drawers, at 60 cents, for which Child, Pratt & Fox paid about 42 cents each, and which he could have bought at that price, if he had seen fit."

Specification 60.—"That between the 10th August, 1861, and 6th October, 1861, Quartermaster McKinstry bought of Child, Pratt & Fox about 1,500 spades, at a price of from \$1 each to \$1 15 each—an exorbitant price, the market value being about 65 cents each."

Specification 61.—"In this: that he, Major Justus McKinstry, on or about the 1st day of July, 1861, at St. Louis, Missouri, having need to purchase a

large quantity of army supplies for his department, did not and would not purchase the same in the market nor for the market value; but, without advertisement for proposals, authorized Child, Pratt & Fox to furnish the same to him; and said Child, Pratt & Fox did, under such authority, purchase, in the city of St. Louis, a vast quantity of army supplies, consisting of cavalry jackets, and pants and coats; infantry pants, jackets, and coats; canteens, covered and uncovered; cavalry equipments; blankets; camp-kettles; mess-pans; picket-pins; axes, with handles; shovels; hatchets, with handles; boots and shoes; coffee-pots; coffee-mills; spades; canteens; tin plates; knapsacks; blouses; flannels; pickaxes and handles; blue cloth; water-buckets; spurs and straps; army caps; horseshoes; muleshoes; horseshoe nails; drawers; flannel shirts; fry-pans; wheelbarrows; horse brushes; horse rasps; specie boxes; currycombs, and other articles, or some of them, to a large amount—say three hundred thousand dollars, more or less; and did purchase, under such authority, in the United States, east of the Mississippi river, a large amount of such articles, or some of them—say three hundred thousand dollars, more or less—in the city of St. Louis; and having so purchased the same articles, he, said McKinstry, purchased the articles so purchased by said Child, Pratt & Fox in the city of St. Louis at an advance upon the price stipulated for by them of from ten per cent. to one hundred per cent.; and he, said McKinstry, did purchase from said Child, Pratt & Fox the articles so purchased by them east of the Mississippi river at an advance upon the price stipulated for by them of from twenty per cent. to one hundred per cent.; he, said McKinstry, quartermaster aforesaid, thereby intending to secure to said Child, Pratt & Fox large gains, to the wasting of the public funds, and to the disregard of the interests of the service.”

To all which specifications, and to the charge, the accused pleaded “Not guilty.”

FINDING.

The court, having maturely weighed and considered the testimony adduced, finds the accused, Major Justus McKinstry, quartermaster, United States army, as follows:

Of the 1st and 2d *Specifications*, “Not Guilty.”

Of the 3d *Specification*, “Guilty, excepting the words ‘no better than Colburn’s,’ and ‘Almon Thompson,’ and ‘and F. J. Flannagan.’”

Of the 4th, 5th, and 6th *Specifications*, “Not Guilty.”

Of the 7th *Specification*, “Guilty, excepting the words ‘the market value of which was about ninety dollars only, each,’ and ‘and others in collusion with him.’”

Of the 8th *Specification*, “Guilty, excepting the words ‘the market value of which on the average was about one hundred and ten dollars only, each,’ and ‘and others in collusion with him.’”

Of the 9th *Specification*, “Guilty, excepting the words ‘about one thousand,’ and ‘the market value of which was about eighty dollars each,’ and ‘and others in collusion with him.’”

Of the 10th *Specification*, “Guilty, excepting the words ‘about three hundred,’ and ‘and others in collusion with him.’”

Of the 11th *Specification*, “Not guilty. Find the facts as set forth in this specification, but, owing to the accused’s acting to some extent under the instructions of his commanding general, attach no criminality to the accused.”

Of the 12th *Specification*, “Not guilty.”

Of the 13th *Specification*, “Guilty, excepting the words ‘five hundred,’ substituting the words *four hundred* therefor; and for the words ‘ninety dollars,’ substituting *one hundred dollars*; and in the place of ‘one hundred dollars,’ substituting *one hundred and fifteen dollars*.”

Of the 14th *Specification*, "Not guilty; but find the fact that Major McKinstry did pay one B. F. Fox an additional allowance of twenty-five dollars per head on a certain number of artillery horses, but, under the circumstances of the case, attach no criminality thereto, it appearing to be a simple act of justice to Fox."

Of the 15th, 16th, and 17th *Specifications*, "Not guilty."

Of the 18th *Specification*, "Guilty; substituting in the place of 'one hundred dollars' the words *one hundred, and one hundred and ten dollars*, and excepting the words 'refused and,' 'and F. J. Flannagan,' 'and Flannagan,' and 'he, said McKinstry, thereby then and there intending to compel said Everett to turn his horse over to said Elleard and Flannagan, and other contractors at higher prices.'"

Of the 19th *Specification*, "Not guilty; but find the fact of McKinstry's refusing to buy of John Allen, but, under the circumstances, attach no criminality thereto."

Of the 20th *Specification*, "Not guilty. Find the fact that the accused did refuse to purchase of Josephus Irvine mules at (\$115) one hundred and fifteen dollars, but, under the circumstances attending the offer of said Irvine, attach no criminality thereto."

Of the 21st *Specification*, "Not guilty."

Of the 22d *Specification*, "Guilty, excepting the words 'and others in collusion with him.'"

Of the 23d, 24th, 25th, 26th, 27th, and 28th *Specifications*, "Not guilty."

Of the 29th *Specification*, "Guilty."

Of the 30th *Specification*, "Guilty."

Of the 31st, 32d, 33d, and 34th *Specifications*, "Not guilty."

Of the 35th *Specification*, "Not guilty; but find the fact that the accused purchased of Joseph S. Pease a number of tents, at an advance upon the price said Pease paid one Dodge, but attach no criminality thereto under the circumstances."

Of the 36th *Specification*, "Guilty, excepting the words 'and others in collusion with him.'"

Of the 37th *Specification*, "Guilty, excepting the words 'authorized one Joseph S. Pease to purchase up the tents in the Saint Louis market, and to contract to purchase these articles from the tentmakers of the city at the best terms he could procure, and,' and 'and others in collusion with him.'"

Of the 38th *Specification*, "Guilty, excepting the words 'and others in collusion with them.'"

Of the 39th *Specification*, "Guilty, excepting the words 'and as fast as,' and 'and others in collusion with them.'"

Of the 40th *Specification*, "Guilty, excepting the words 'as fast as they purchased them,' and 'and others in collusion with them.'"

Of the 41st *Specification*, "Guilty, excepting the words and figures '45 cents each for a portion, and,' and 'for the residue.'"

Of the 42d *Specification*, "Not guilty."

Of the 43d *Specification*, "Guilty, excepting the words 'and others in collusion with them.'"

Of the 44th *Specification*, "Guilty."

Of the 45th *Specification*, "Guilty, excepting the words 'and others in collusion with them.'"

Of the 46th *Specification*, "Guilty, excepting the words 'and others in collusion with them.'"

Of the 47th *Specification*, "Guilty."

Of the 48th *Specification*, "Not guilty."

Of the 49th *Specification*, "Guilty."

Of the 50th, 51st, 52d, and 53d *Specifications*, "Not guilty."

Of the 54th *Specification*, "Guilty."

Of the 55th *Specification*, "Guilty."

Of the 56th and 57th *Specifications*, "Not guilty."

Of the 58th *Specification*, "Guilty, substituting the figures \$2 40, in the place of \$2 30."

Of the 59th *Specification*, "Not guilty; the specification failing to give the place, and also failing to designate in a proper manner the person charged."

Of the 60th *Specification*, "Not guilty; the specification failing to give the place, and also failing to designate in a proper manner the person charged."

Of the 61st *Specification*, "Guilty, excepting the words 'upon the price stipulated for by them,' wherever they are written in this specification."

Of the CHARGE, "Guilty."

SENTENCE.

And the court does therefore sentence Major Justus McKinstry, quartermaster, United States army, "*To be dismissed the service.*"

II. The foregoing proceedings, findings, and sentence are approved; but, exercising the discretion given by Article 89 of the Rules and Articles of War, the execution of the sentence is suspended until the pleasure of the President of the United States can be known, upon the recommendation of some members of the court for a remission or mitigation of the sentence, this suspension and the proceedings of the court-martial being transmitted to the President for his determination.

H. W. HALLECK,
General-in-Chief.

HEADQUARTERS OF THE ARMY,
Washington, January 26, 1863.

The following are the orders of the President :

The sentence in the foregoing case will be carried into execution by the dismissal of Major Justus McKinstry, quartermaster, United States army, from the service of the United States.

ABRAHAM LINCOLN.

WASHINGTON, *January 28, 1863.*

III. The general court-martial of which Brigadier General P. St. George Cooke is president, is dissolved.

By order of the Secretary of War :

L. THOMAS,
Adjutant General.

Official :

Assistant Adjutant General.

JOURNAL OF THE COMMITTEE.

NEW YORK, *September 9, 1862.*

The committee met pursuant to a call of the chairman. Present: Mr. Washburne, chairman, and Mr. Steele.

George Dennison, Rufus F. Andrews, Hamilton Bruce, DeWitt C. Graham, Thomas J. Brown, Alexander Isaacs, and James B. Archer were examined as witnesses.

The committee adjourned until ten o'clock to-morrow morning.

NEW YORK, *September 10, 1862.*

The committee met pursuant to adjournment. Present: Mr. Washburne, chairman, and Mr. Steele.

Samuel G. Ogden and Hiram Barney were examined as witnesses.

The committee adjourned to meet on the call of the chairman.

NEW YORK, *November 20, 1862.*

The committee met pursuant to a call of the chairman. Present: Mr. Steele.

The committee adjourned until Saturday, the 22d instant.

NEW YORK, *November 22, 1862.*

The committee met pursuant to adjournment. Present: Mr. Steele, Mr. Fenton, and Mr. Holman.

The committee adjourned to meet upon the call of the chairman.

WASHINGTON, *December 4, 1862.*

The committee met pursuant to a call of the chairman. Present: The chairman, Mr. Washburne, and Messrs. Holman, Fenton, Dawes, Steele, and Van Wyck.

The committee adjourned to meet in New York on Wednesday, the 17th instant.

NEW YORK, *December 17, 1862.*

The committee met pursuant to adjournment. Present: Mr. Washburne, chairman, and Messrs. Fenton, Dawes, and Steele.

The committee adopted the following resolution unanimously:

"*Resolved*, That inasmuch as certain testimony has been taken by one member of the committee, in the absence of a quorum, touching the official conduct of certain federal officers in New York, under objection from them, therefore the committee will examine such testi-

mony, and whenever it appears that the testimony of any such witness so taken is found to affect the official conduct of any such person, such witness shall be re-examined, and so far as his testimony, on re-examination, affects the official conduct of any federal officer in New York, it shall be submitted to him for his inspection."

The committee then adjourned until ten o'clock to-morrow morning.

NEW YORK, *December 18, 1862.*

The committee met pursuant to adjournment. Present: Mr. Washburne, chairman, and Messrs. Holman, Fenton, Dawes, Steele, and Van Wyck.

Samuel G. Ogden and William D. Robinson were examined as witnesses.

The committee adjourned until ten o'clock to-morrow morning.

NEW YORK, *December 19, 1862.*

The committee met pursuant to adjournment. Present: All the members of the committee.

Horatio F. Averill, Henry A. Cargill, James B. Craig, and Francis Wigand were examined as witnesses.

The committee adjourned until ten o'clock to-morrow morning.

NEW YORK, *December 20, 1862.*

The committee met pursuant to adjournment. Present: All the members.

Daniel Jackson, Munson Gray, and Stewart Van Vliet were examined as witnesses.

Mr. Van Wyck moved to reconsider the vote by which the resolution of December 17 was adopted, and substitute the following:

"Whereas many witnesses were examined by one member of the committee in the absence of a quorum, in the month of March last, affecting the amount of moneys received by certain federal officers in this city: Therefore—

"*Resolved*, That at the request of any of said public officers any of the said witnesses so examined be again subpœnaed, and the testimony so taken be read to them, and such corrections or additions be made as they may desire; also that new witnesses be subpœnaed and examined at the request of said officers.

"*Resolved*, That said testimony has already been taken at much expense to the government, and the same should now be used, except in those particulars where the witness pronounces the same incorrect, or he or some other party desires to add thereto or explain."

The question was put, and it was decided in the negative—yeas, one; nays, five, as follows:

YEAS.—Mr. Van Wyck.

NAYS.—Messrs. Holman, Fenton, Dawes, Steele, and Mr. Chairman.

After the vote upon the foregoing resolution, Mr. Van Wyck pre-

sented to the committee, for action, sundry other papers, which the committee declined to receive or enter upon their journal.

On motion of Mr. Van Wyck, it was ordered that his name be entered on the journal as voting against the adoption of the resolution of the 17th instant.

The committee adjourned until Monday next at ten o'clock a. m.

NEW YORK, *December 22, 1862.*

The committee met pursuant to adjournment. Present: Mr. Washburne, the chairman, and Messrs. Holman, Fenton, Dawes, and Steele.

Robert Murray, Joseph S. Smith, Simon Stevens, and Isaac Henderson were examined as witnesses.

The committee thereupon adjourned until to-morrow morning at ten o'clock.

NEW YORK, *December 23, 1862.*

The committee met pursuant to adjournment. Present: Mr. Washburne, the chairman, and Messrs. Fenton, Dawes, and Steele.

George F. Betts, Kenneth G. White, Cornelius Vanderbilt, and Simon Stevens were examined as witnesses.

The committee adjourned until Wednesday, the 31st instant.

NEW YORK, *December 31, 1862.*

The committee met pursuant to adjournment. Present: Mr. Washburne, chairman, and Mr. Steele.

The committee adjourned until Friday, the 2d of January.

NEW YORK, *January 2, 1863.*

The committee met pursuant to adjournment. Present: Mr. Washburne, chairman, and Mr. Fenton.

Samuel Churchman, C. S. Franklin, George Dennison, and Charles P. Clinch were examined as witnesses.

The committee adjourned until to-morrow morning at ten o'clock.

NEW YORK, *January 3, 1863.*

The committee met pursuant to adjournment. Present: Mr. Washburne, chairman, and Mr. Fenton and Mr. Van Wyck.

Amos Clark, John K. Bulmer, William Allen Butler, B. W. Jones, George Dennison, and Frederick W. Jennings were examined as witnesses.

The committee adjourned to meet on Saturday, the 10th instant.

NEW YORK, *January 10, 1863.*

The committee met pursuant to adjournment. Present: Mr. Dawes.

Francis M. Bixby, William D. Robinson, Augustus Schell, Samuel G. Ogden, George Bisbee, Henry B. Stanton, and John McKenzie were examined as witnesses.

The committee adjourned to meet upon the call of the chairman.

WASHINGTON, *January 16, 1863.*

The committee met pursuant to a call of the chairman. Present: all the members.

Simon Stevens was examined as a witness.

The committee adjourned to meet on the call of the chairman.

WASHINGTON, *January 26, 1863.*

The committee met pursuant to a call of the chairman. Present: Mr. Washburne, chairman, and Messrs. Dawes, Steele, and Van Wyck.

William T. Duvall was examined as a witness.

The committee adjourned to meet upon the call of the chairman.

WASHINGTON, *February 11, 1863.*

The committee met pursuant to the call of the chairman. Present: Mr. Washburne, chairman, and Messrs. Holman, Fenton, and Van Wyck.

On motion,

Ordered. That certain testimony taken by Mr. Van Wyck in New York, without the authority of the committee, be deposited by the clerk of this committee with the Clerk of the House of Representatives, with directions to the said Clerk to hold it in his possession, subject only to the inspection of any member of the committee.

The committee adjourned to meet on the call of the chairman.

NEW YORK, *February 14, 1863.*

The committee met on a call of the chairman. Present: Mr. Washburne, chairman, and Messrs. Holman and Van Wyck.

George W. Yerby, Daniel C. Birdsell, David R. Martin, and Joseph Kirkpatrick were examined as witnesses.

On motion,

Ordered. That on the expiration of this Congress, all the papers which have been before this committee, or are in any way connected with the investigations of the committee, be sealed up by the clerk of the committee, and deposited with the Clerk of the House of Representatives.

The committee adjourned to meet upon the call of the chairman.

WASHINGTON, *February 17, 1863.*

The committee met on the call of the chairman. Present: Messrs. Holman, Fenton, and Van Wyck.

Cornelius Wendell was examined as a witness.

The committee adjourned until Saturday, the 21st instant.

WASHINGTON, *February 21, 1863.*

The committee met pursuant to adjournment. Present: All the members.

On motion,

Resolved. That the notice given to the Quartermaster's department by the committee to withhold a certain amount of money due to

Amos Clark be withdrawn; and they recommend such reinspection of the balance of the clothing on hand, and re-examination of the subject, as will enable the department to determine more nearly whether the contract has been substantially performed.

The committee adjourned to meet on the call of the chairman.

WASHINGTON, *February* 26, 1863.

The committee met upon the call of the chairman.

Captain Charles E. Fuller was examined as a witness.

The committee adjourned to meet upon the call of the chairman.

WASHINGTON, *March* 2, 1863.

The committee met on the call of the chairman.

Bayard Clark was examined as a witness.

On motion,

Ordered, That Mr. Fenton be directed to submit the final report to the House.

The committee thereupon adjourned *sine die*.

INDEX TO TESTIMONY.

| | Page. |
|-----------------------------|-------------|
| George Dennison | 1, 100, 110 |
| Rufus F. Andrews | 2 |
| Hamilton Bruce | 5 |
| De Witt C. Graham | 7 |
| Thomas J. Brown | 8 |
| Alexander Isaacs | 9 |
| James B. Archer | 10 |
| Samuel G. Ogden | 10, 13, 126 |
| Hiram Barney | 11 |
| Wm. D. Robinson | 36, 124 |
| Horatio F. Averell | 39 |
| Henry A. Cargill | 45 |
| James B. Craig | 51 |
| Francis Wigand | 55 |
| Daniel Jackson | 57 |
| Munson Gray | 59 |
| Stewart Van Vliet | 62 |
| Robert Murray | 67 |
| Joseph S. Smith | 69 |
| Simon Stevens | 72, 83, 116 |
| Isaac Henderson | 84 |
| George F. Betts | 85 |
| Kenneth G. White | 87 |
| Samuel Churchman | 90 |
| C. S. Franklin | 98 |
| Charles P. Clinch | 101 |
| Amos Clark | 102 |
| John K. Bulmer | 104 |
| Wm. Allen Butler | 106 |
| Frederick W. Jennings | 114 |
| Francis M. Bixby | 119 |
| Augustus Schell | 125 |
| George Bisbee | 127 |
| H. B. Stanton | 129 |
| John McKenzie | 131 |
| Hiram Barney | 132 |
| William T. Duvall | 136 |
| D. H. Vinton | 138 |
| George W. Yerby | 140 |
| Daniel C. Birdsell | 149 |
| David R. Martin | 153 |
| Joseph Kirkpatrick | 157 |
| Wm. Boardman | 162 |
| Juan C. De Mier | 168 |
| Madison M. Burt | 174 |

TESTIMONY.

NEW YORK, *September 9, 1862.*

GEORGE DENNISON sworn:

Question. State your official position.

Answer. I am naval officer of the port of New York.

Question. Be good enough to state the amount of money you have received since you accepted the office of naval officer of the city of New York, as salary, as your portion of the proceeds of seizures made, or from any other sources whatever, by virtue of your office.

Answer. My salary is fixed by law, and amounts to a little less than \$5,000 a year; and the only other money I have received by virtue of my office has been from the proceeds of seizures.

Question. Please state the facts in reference to those seizures.

Answer. Seizures are made for violation of the revenue laws, such as smuggling, false invoices, under valuation of goods, and other acts of fraud upon the revenue. All the moneys I have received have been received from Mr. Ogden, the auditor of the custom-house, and he can testify to the amount I have received, when received, and from what source. I would say, also, that I have received no money by virtue of my office except through him. The money is always paid to Mr. Ogden in the first instance, and he makes the division, paying to me my share, for which I give him my receipt.

Question. Have all the amounts you have received from Mr. Ogden and receipted for been moneys to which you were yourself entitled?

Answer. Yes, sir; all except some amounts which have been paid to informers.

Question. Please explain how that is.

Answer. There are cases where parties dislike to and will not appear as informers, but are willing to furnish the revenue officers with information which will lead to conviction, upon the express understanding that their names are not to be used or exposed. In such cases the revenue officers have paid the parties twenty-five per cent. of what they receive as their share of the proceeds. In all cases the government gets one-half of the proceeds, and the amount that is paid to informers comes out of the share of the officers, and not out of the share of the government. We have done this under the express sanction of the Secretary of the Treasury, before whom I laid the matter and obtained his consent.

Question. Are cases of seizures ever settled privately by the revenue officers, to your knowledge?

Answer. There have been a few cases where the revenue officers have settled with parties with the consent of the Secretary of the Treasury.

Question. What is the mode of operation in such cases?

Answer. The same as in all other cases, except that upon the earnest and written request of the parties making the settlement the circumstances surrounding the case are not unnecessarily exposed, though the money, as in other cases, is paid in to the auditor. The auditor has all the papers and all the information upon that subject, and can give the amounts and the facts in writing. He is the only officer who has ever received any money, in the first instance, since I have been naval officer of this port.

Question. Are these settlements in every instance made with the express assent of the Secretary of the Treasury, or have you a discretion in the matter?

Answer. Where the amount is any considerable sum, the settlement is made with the consent of the Secretary. Where the amount is small, there is a discretion resting with the revenue officers here.

Question. Have you ever received a written statement of any employé of the custom-house in relation to smuggled goods?

Answer. I may have received such statements; if so, the matter was investigated at the time; and if any proceedings were taken, it is now a matter of record.

Question. Have you ever made any promise to any employés that if you succeeded in certain seizures they should make a handsome thing out of it?

Answer. As I before stated, I have told parties who did not wish to appear as informers that if they would furnish information which would lead to conviction, the revenue officers would make a division of the proceeds which they received; which, as I stated before, was an equal division—twenty-five per cent. to each. And I would say, further, that in every instance where information has been received which led to a conviction, the party has received his full share.

Question. Do you know anything in relation to the labor contract for storing, hauling, and delivery of goods in this city?

Answer. I know that that labor is done by contract, but I know nothing of the details of the matter.

NEW YORK, *September 9, 1862.*

RUFUS F. ANDREWS sworn:

Question. State your official position?

Answer. I am surveyor of the port of New York.

Question. How long have you held that office?

Answer. Since the 1st of August, 1861.

Question. What amount of money have you received by virtue of your office during that time?

Answer. I cannot tell, without reference to the account-books. The salary is fixed by law. The auditor of the custom-house has an account of every cent I have received. The salary depends to some ex-

tent upon the fees. It cannot be over \$4,900, and it has not amounted to that this year.

Question. What portion of the moneys you have received have been, in your judgment, derived from seizures?

Answer. I should think the receipts from seizures, during the last year, have been about twice the amount of the salary. As I have kept no books myself, I cannot tell the exact amount. The auditor's account will show the whole.

Question. Have you, by virtue of your office, received any moneys except those shown by the auditor's books?

Answer. Not one cent.

Question. Did you make any seizures in September or October, 1861?

Answer. I presume I did. About that time there was some jewelry seized which was taken from the persons of passengers who attempted to smuggle it into port. All that jewelry, and all jewelry seized since I have been in office, has been accounted for, item by item. A memorandum of it taken at the time showed of what it consisted, and it was brought to the office, sealed up, placed in the possession of the collector, and has either been sold or disposed of by due process of law, or settlement made by the collector, in accordance with the revenue laws, and not a single item of that jewelry has been detained or received by me, or presented to anybody.

Question. State the names of the deputies who have generally been employed in making seizures.

Answer. My deputy is Thomas J. Brown, and the special officers who are inspectors are Graham, Isaacs, and Archer. These deputies are specially detailed to detect frauds upon the revenue when ships and steamers arrive; they are also the officers selected when we obtain warrants to enter persons' stores for the purpose of searching for goods which have been smuggled in. In all cases where they have visited stores they have done so under the warrant of the police magistrate, and have acted under my supervision; and any statement that settlements have been made by them is false. It is impossible, in the nature of things, that they could make such a settlement without its being known to me, and I know that nothing of the kind has been done. In every case where we have made seizures of merchants, the matter has been reported to the collector, and everything placed in his hands.

Question. Are you, or are your deputies, in the habit of seizing goods where there is a mere technical violation of law?

Answer. No, sir; never. Where there is a violation of the revenue law by a person attempting to smuggle in goods, we seize the goods. That is always done upon the arrival of steamers or vessels. We do not go into merchants' stores without a warrant.

Question. Has it ever been the practice to seize for a technical violation of law, and then follow it up by a settlement for a small amount, without going through the forms which the law requires?

Answer. There have been no seizures for a technical violation of law since I have been in office, and there has been no settlement except in cases where a settlement was authorized by the act of Congress upon

that subject. There are cases where invoices have been made up, and the property appraised by the appraiser under due form of law, and then the amount paid into the hands of the collector by the parties.

Question. Be good enough to state the course pursued in relation to the baggage of passengers coming from abroad.

Answer. We are required to make a careful examination of the baggage of every person arriving here. That is the business of myself and of the inspectors under me.

Question. In what way is that examination made?

Answer. By causing all the trunks to be opened and all the contents examined. Where we have cause to suspect a false bottom in a trunk, we cause a hole to be bored through to see whether it is so or not. The examination is a thorough one. In all cases baggage is examined, except where special instructions are given by the Secretary of the Treasury to pass baggage without examination, as in the case of foreign ministers and consuls.

Question. Do you know of any instances where the conduct of officers examining has been influenced by the payment of sums of money?

Answer. No, sir; and I do not believe any such instance has occurred. I am generally present on the examination of baggage to see that my officers do their duty properly.

Question. Is there any other source from which you receive money by virtue of your office, except those already mentioned—salary and your share of the seizure-money?

Answer. None whatever. I receive not a cent from any other source.

Question. Do you know of a practice existing among your officers, when importers get into difficulties by a violation of the revenue laws, of sending them to Craig & Webster as lawyers?

Answer. I do not. In some instances I have known such men to ask who were good revenue lawyers, and I have heard several names mentioned, among which were Craig & Webster, and Cutting & Dunning, all of whom have had considerable practice in that line.

Question. Do you know anything about a seizure of goods belonging to Herman Batjer?

Answer. I have no recollection of it.

Question. Do you know anything in relation to the ownership and rents of the bonded warehouses, and anything in relation to the labor contract?

Answer. I know nothing at all about them.

The witness being subsequently recalled, said:

I was mistaken in stating that the auditor's account would show my salary. That account he does not keep. My salary for the year ending the first of August was \$4,549 96, of which \$4,500 is allowed as salary absolutely, \$45 being deducted for something, I know not what.

Question. The fees are limited so that you cannot have over \$4,500 a year?

Answer. It does not amount to that much this year.

NEW YORK, *September 9, 1862.*

HAMILTON BRUCE sworn :

Question. Please state your official position.

Answer. I am deputy collector and ex officio storekeeper of the port, in charge of the third division.

Question. Please state what you know in relation to the ownership and rents of the bonded warehouses in the city of New York.

Answer. I can make the statement more accurately by going over to the office and getting a list of our stores. There are some 112 or 115 of them.

Question. State, as nearly as you can, everything in relation to the system.

Answer. There are five classes of stores. Stores of class one are no longer used at this port. Class two are used for depositing the goods of the importer only. Class three are used for the storage of general importations. Class four are cellars used for the storage of liquors only. Class five are sheds used for bulky articles, such as coal, marble, and the like. I think there are some 112 or 115 of them in all. Class one would be rented by the government, but there are no such stores in use here now. The government still have the unexpired lease of a store, class one, at Atlantic dock, but it is now used as class three. The government does not send any more store goods here.

Question. By whom are these stores generally owned, and how are they rented?

Answer. Class two are generally owned by large importers, such as large sugar-houses, who have these stores for the reception of their own property, and they can more than fill them. The cellars are used principally by liquor dealers for their own importations. Any person of respectable reputation, who feels disposed to take a store and run the risk of getting such storage as he can, may keep a store of class No. 3.

Question. By whom is the rate of storage fixed?

Answer. By the Chamber of Commerce. They have decided what rates shall be charged upon all goods which go under general orders, and that is paid by the parties who use the stores by the authority and consent of the custom-house. That is applicable only to general orders, because a party entering goods can designate any store he pleases to have the goods go to, and he can make any bargain he pleases. The rates of the Chamber of Commerce are rates which apply only in cases of dispute.

Question. Who are the principal owners of the warehouses now used as bonded warehouses?

Answer. There is not more than one individual who has two stores.

Question. How many bonded warehouses of class one has the government now?

Answer. None.

Question. How many of class two?

Answer. Five; and they are for the owners' own goods.

Question. How many of class three?

Answer. Fifty-one.

Question. How many of class four?

Answer. Forty-four.

Question. How many of class five?

Answer. Two.

Question. By whom are all these stores owned?

Answer. The owners are numerous. Their names are given upon a list I have.

Question. Who rents these bonded warehouses; the government or the proprietors of the stores?

Answer. The proprietors of the stores, except that class one would be rented by the government.

Question. Do you know anything about the amount paid by them for rent?

Answer. Of my own knowledge, I do not know; but I understand they rent for five, six, and even eight thousand dollars a year.

Question. Do you know anything about the profits arising to the proprietors from having these bonded warehouses?

Answer. I know nothing of the facts. I suppose, from the fact that many persons have continued in the business many years, that the business is self-sustaining.

Question. The amount of money paid for storage is regulated by the Chamber of Commerce?

Answer. Yes; in case of dispute. You can make a private arrangement if you please, and all you get storage for under that is so much saved.

Question. Please state what you know in relation to the general-order system.

Answer. The general-order goods, so called, are goods which arrive in vessels and are unclaimed or unentered by the consignee. By law the vessel has to discharge within a given time. If goods are not out of the vessel by that time and bonded, or the duty paid upon them, the collector and surveyor have an order sent for the discharge of that vessel, and those goods, denominated general-order goods, go into the nearest store in the district in which the vessel lies.

Question. Is it the rule that they shall be taken to the nearest store?

Answer. It is, in every instance.

Question. Can there be any favoritism shown?

Answer. No, sir; for, by direction of the collector, the goods go in every instance into the nearest store of the district.

Question. Is that ever changed?

Answer. Only when one store is full; and then they go into the next general-order store. That has occurred twice, and I have been so particular as to send to the proprietors of the stores and tell them they should not charge an additional cartage.

Question. What do you know of the terms, consideration, and profit of the labor contract for the storing hauling, and delivery of goods in the city of New York?

Answer. I know nothing about it. That is a matter of private contract with the parties, and with it the custom-house has nothing to

do, directly or indirectly. The contract is given to individuals, and they have all the business to attend to.

Question. Who are the contractors now?

Answer. I only know who they are by hearsay.

Question. Are there any limits and restrictions placed upon them by the custom-house?

Answer. I think the collector has absolute control over the whole matter. That is only an impression of mine.

Question. Then the government assumes the right of controlling this cartage, and it gives the privilege of doing this cartage to certain persons?

Answer. Yes, sir.

Question. Does he pay anything?

Answer. He obligates himself to perform the duty, and he may make something out of it, and he may lose something.

NEW YORK, *September 9, 1862.*

DEWITT C. GRAHAM sworn:

Question. State your official position.

Answer. I am inspector in the custom-house, and am attached to the office of the surveyor as one of his special aids.

Question. How long have you been in that position?

Answer. Nearly five years. I have been in the custom-house fourteen or fifteen years.

Question. What is your particular duty?

Answer. The duty assigned me is to board all steamers that arrive; examine the baggage of passengers, and obtain what information I can in relation to smugglers arriving here, both before and after the arrival of vessels; to accompany the collector, naval officer, and surveyor upon the examination of stores and the books therein, for the purpose of detecting frauds against the government; and, in fact, to make all seizures under the direction of the surveyor.

Question. What is your mode of proceeding?

Answer. Immediately upon boarding a vessel, if we have any information of the expected arrival of suspected persons, we obtain a list of the passengers to see whether it contains the names of those suspected persons. If it does, we seek for other information, to see whether any of their acts are suspicious. We then receive from them a written declaration of their luggage, and proceed to an examination of their effects; and where we have reason to suspect them, we examine their persons.

Question. How many persons are assigned to this special duty?

Answer. Deputy Surveyors Brown, Archer, Isaacs, and myself.

Question. Do you know of any instances where for any consideration, pecuniary or otherwise, baggage has been permitted to pass without inspection?

Answer. No, sir.

Question. Do you know of any instances where any parties con-

nected with the custom-house have permitted baggage to go through without a thorough examination?

Answer. I do not. We are very particular in relation to that. Under the previous administration Hart generally superintended the examination himself. Mr. Andrews does as nearly so as he can. I have known instances where ex-ministers, under a declaration that they had nothing dutiable with them, were allowed to pass, out of courtesy to them. In cases of that kind we consult the surveyor. We know we are watched, that others are looking on, and it makes us careful not to assume any responsibility ourselves.

Question. What course do you ordinarily pursue in making seizures?

Answer. When we discover smuggled goods, we immediately make an inventory of them, and then they are sealed up and sent to the public store, where they remain until an appraisement is ordered. The goods pass out of our hands immediately. Where the parties desire it, we give them a list of what we take.

Question. Are any of these articles ever given up upon the condition of some pecuniary consideration to be paid?

Answer. I have never known such an instance. We are always too glad to make a seizure in order to get a little *eclat* for ourselves. I speak of the other gentlemen, as well as myself.

Question. After you have made the seizure and delivered the goods at the public store, your duty in regard to them ends?

Answer. Yes, after making our report to the collector, naval officer, and surveyor, of the circumstances under which the seizure was made. That report is made in writing.

NEW YORK, *September 9, 1862.*

THOMAS J. BROWN sworn :

Question. State your residence and official position.

Answer. I reside in Harlem, and am deputy surveyor.

Question. How long have you been such deputy?

Answer. I was made deputy surveyor about one month after Mr. Andrews came into office.

Question. What are your particular duties?

Answer. To examine the baggage of passengers arriving from foreign ports, and especially that of those of whom I have any suspicion.

Question. What is your duty in making such examinations?

Answer. In case of suspicion, we furnish the party with the form of a declaration on which he puts down so many trunks, so many packages, &c. This is signed and delivered to the inspector or officer who examines the baggage. If goods are found which are not upon the list, of course they are liable to confiscation.

Question. Have you ever permitted any baggage to pass without examination for a consideration, either pecuniary or otherwise?

Answer. Never, and all statements to that effect are false.

Question. Do you know of any of the men being allowed to pass baggage without examination for a pecuniary consideration?

Answer. I do not. On the contrary, whenever we have had a suspicion that an officer has taken any money on such an understanding, we go to the surveyor and inform him of that fact?

Question. Have you ever known an instance of men doing so? If so, what has been the result of the disclosure?

Answer. I never knew of but one instance, and that was under Hart. He dismissed the man immediately.

If it has been charged by one Edward M. Marsh that such things have been allowed, I have to say that all I know of him is what I have heard. I have seen the man in the street and passed the time of day with him, but never conversed with him. He was once considered of very great importance to the department in the way of giving information against different houses, and against merchants passing between this country and Europe. I have heard him spoken of as a man of no character whatever.

NEW YORK, *September 9, 1862.*

ALEXANDER ISAACS sworn :

Question. Please state your official position.

Answer. I am inspector of customs in this city, but am specially detached by the surveyor.

Question. For what purpose?

Answer. I was appointed in 1853 to make examinations into the matter of passengers and storekeepers.

Question. Are you in the habit of seizing goods?

Answer. I am.

Question. It is a part of your duty to examine the baggage of passengers?

Answer. Yes, sir ; specially so.

Question. It is charged that you, with other inspectors performing the same duties, assume full authority to examine baggage ; that you pass it with or without examination as you choose ; that in many cases you receive money for passing baggage, five and ten dollars at a time, and that you do this as a regular business. What do you say to these charges?

Answer. I have never in my life received a shilling from any individual, except where it has been delivered over to the collector, surveyor, or naval officer, as money presented to me as a bribe. For instance, here is money (showing a roll of bills) which was offered to me this morning as a bribe. I received it, and then seized the man's goods and sent them to the public store. We often take such money when offered to us as a bribe, but we always deliver it to the custom-house officers.

NEW YORK, *September 9, 1862.*

JAMES B. ARCHER sworn :

Question. State your official position, and how long you have been in the custom-house.

Answer. I have been an inspector of customs since 1853.

Question. What is your special duty ?

Answer. Boarding steamers and attending to office business.

Question. You have heard the questions put to Mr. Isaacs during his examination, and the answers thereto. So far as his answers were responsive to the interrogatories, are they true so far as regards yourself?

Answer. Yes, sir.

Question. Have you known of any practice existing whereby baggage has been permitted to pass without examination for any consideration whether of friendship or money?

Answer. No more than the instances stated by Brown.

Question. Do you know of any other instances?

Answer. None whatever. Our orders from the collector and surveyor upon that subject are very strict. It is, that we shall make a strict examination of baggage. We generally go around among the inspectors and overlook everything that is being done.

Question. Your duty is rather to oversee than to make a personal examination yourself?

Answer. Yes, sir.

NEW YORK, *September 10, 1862.*

SAMUEL G. OGDEN sworn :

Question. What is your official position?

Answer. I am auditor of the custom-house.

Question. From the nature of your position there, does all the money coming into the hands of the collector, surveyor and naval officer of the port, by virtue of their offices, come through your hands?

Answer. All that accrues from seizures, fines, penalties and forfeitures.

Question. State the amount received by each of those officers from those sources from June, 1861, to July, 1862.

Answer. The amount received by the collector from April, 1861, up to and including July, 1862, was \$12,617 63. The amounts received by the surveyor and naval officer, respectively, will only vary from that according to the time they respectively took office.

Question. When were they appointed?

Answer. I think the naval officer was appointed about the first of June. The appointment of the surveyor was later. I present a monthly statement of the amount received by the collector.

The statement was as follows :

| | |
|--------------------|-----------|
| 1861.—June..... | \$65 20 |
| July..... | 75 72 |
| August..... | 55 57 |
| September..... | 721 10 |
| October..... | 4,090 88 |
| November..... | 524 18 |
| December..... | 721 66 |
| 1862.—January..... | 1,720 05 |
| February..... | 1,638 16 |
| March..... | 1,638 16 |
| April..... | 293 91 |
| May..... | 213 11 |
| June..... | 1,510 10 |
| July..... | 987 99 |
| | <hr/> |
| | 12,617 63 |
| | <hr/> |

Out of that sum it is understood that a considerable amount is paid for information.

Question. Have all the seizures made during that period been accounted for in that statement?

Answer. No, sir. Some cases are still pending, and are undetermined. The decision of the court may be in favor of the claimants, in which case the officers got nothing. For that reason it is impossible to form any estimate of what may accrue from those cases.

NEW YORK, *September 10, 1862.*

HIRAM BARNEY sworn :

Question. Please state your official position.

Answer. I am collector of the port of New York, and have been since April 8, 1861.

Question. I hand you a resolution passed by the House of Representatives, which you will please read, and then please state fully in relation to the several branches thereof.

The resolution above referred to was as follows :

“*Resolved*, That the committee on government contracts be directed to inquire into the amount of moneys received by the federal officers in the city of New York by virtue of their offices ; also as to the ownership and rents of the bonded warehouses ; also the terms, considerations, and profits of the labor contracts for the storing, hauling, and delivery, &c., of foreign goods in the city of New York, when made, by whom, and who are now interested in the same.”

Answer. On a former examination I stated fully, in answer to the first part of the resolution, touching the amount of moneys received. The bonded warehouses are owned by individuals who take goods on storage, giving bonds for the safety, custody, and delivery of the

goods to the owners. The rates of storage are uniform and settled. The parties who bond their warehouses for the storage of imported goods also pay the salary of the government storekeeper, and of any other officer that may be needed to assist that storekeeper. Practically, therefore, the government pays nothing. They adopt this regulation to secure the safety of the goods while they are being warehoused, and before they are finally entered for consumption or withdrawn for exportation. It is no expense to the government. The charge is a matter between the keeper of the public store and the owners of the goods; but in case of a dispute in reference to a charge, the rates which have been determined by the Chamber of Commerce apply.

Question. What rules govern the contracts which are made by individuals with the government for these bonded warehouses?

Answer. There is no contract. The way is simply this: a man comes to me and wants his store made a bonded warehouse. Upon filing a bond and giving good security his store is made a bonded warehouse, as a matter of course, and he gets goods stored there if he can. The principle which governs me in reference to general orders is this, that the accommodations in the building shall be sufficient for the district to be served, and that the store itself shall be convenient to the place where most of the general-order goods are landed. There may be goods which go under general orders in any vessel, because that depends frequently upon whether they get them out in time. All goods that remain on board over three days go, as a matter of course, to the general-order stores. The advantage of these stores is, that such goods are generally wanted in a short time.

Question. Is it not considered a matter of great interest to parties to have their stores made general-order stores?

Answer. That depends entirely upon the store and its location. There is this about it: it is presumed that general-order stores have better accommodations than other stores, because we require superior accommodations for general orders.

Question. Is it not worth something to a man to have his store made a general-order store?

Answer. Sometimes it is, and sometimes it is not. I remember there was once considerable anxiety about some stores down in Broad or Liberty street, and I had occasion to inquire into the amount of storage which had been received at those general-order stores for six months, and the whole of it amounted to \$168.

Question. State fully and particularly what you know in relation to the labor contract.

Answer. The labor contract was made in August, 1859, by Mr. Schell, under the sanction of the Secretary of the Treasury, with McIntyre, Bixby & Co., to perform certain labor about the appraisers' stores in the handling of goods. The labor contract, which was in existence for three years prior to September 5, 1862, expired with that day. I have now made arrangements to perform that labor by persons hired, or to be hired by the day, and a few clerks, upon an estimate of the expenditure for that purpose, by which the government will save, if our expectations are realized, some \$37,000 per

annum upon the prices paid under the contract which has just expired.

There is not and never has been any contract, so far as I know, for the storing of goods. The contract was for hauling the goods to the appraisers' stores, and handling them there, and delivering them to the owners. The goods are stored in bonded warehouses, as I have already described, or in the general-order stores, which are also bonded warehouses, but which receive such goods from vessels as are not discharged within the time prescribed by law, and which are designated "unclaimed goods." These unclaimed goods may and sometimes do remain in store for a long period of time, but they generally remain for only a short period, and the profit upon them arises from that circumstance. It is a business which must be judiciously and carefully managed, in order to make money by the men who have the bonded stores.

Question. Who were interested in that labor contract so far as you know?

Answer. McIntyre, Bixby & Co. are the only parties I ever recognized as bound to perform that work and entitled to the pay, excepting that they gave a power of attorney to Wyman and Stevens to receive the money, and from that I inferred that they, in some way or another, were either wholly or partially interested in that contract. Whether any other parties were associated with them I have never been informed, and do not know.

Question. Who are Wyman and Stevens?

Answer. Wyman is a merchant here; Stevens, I believe, was a lawyer in Pennsylvania.

Question. By what means did those parties, so far as you know or believe, become interested in that contract?

Answer. I do not know the way the thing was accomplished.

Question. Did they manage the whole business as the attorneys of McIntyre, Bixby & Co.?

Answer. I do not know. I never meant to recognize that contract with McIntyre, Bixby & Co. any further than it had been recognized by the government, and I held them to the performance of the contract, and nobody else. The work has always been performed under the superintendence of Bixby.

NEW YORK, *December 18, 1862.*

SAMUEL G. OGDEN sworn :

Question. Your attention having been directed to this subject in your testimony heretofore, in connexion with the auditorship of the custom-house at this port, please state definitely the compensation received from the government by the three officers, the collector, the naval officer, and the surveyor of the port of New York, and in what manner it is paid?

Answer. The officers named derive their compensation from fees, subject to a limitation fixed by law; \$6,000 in the case of the collector,

\$5,000 in the case of the naval officer, and \$4,500 in the case of the surveyor. The collector and surveyor receive, in addition, \$400 per annum for services performed in other capacities, provided the fees for those services amount to so much. They always have amounted to that sum in the case of the collector, but perhaps not always in the case of the surveyor. In addition, they receive their proportion of fines, penalties, and forfeitures, as provided by the 91st section of the collection act of 1799. That act awards to those officers each one-third of the moiety of the net proceeds of such forfeitures, except in cases where there are informers. The informer receives one-half of the one moiety which would accrue to the officers.

Question. Where you use the term "informer," do you embrace every person who furnishes information upon which a violation of the revenue law is established, or do you only mean such persons as are openly known in the character of informer in the particular instance?

Answer. The only persons excepted by law are the collector, naval officer, and surveyor. Any other party, therefore, upon giving information, is entitled to a share.

Question. I want to know what meaning is attached to the word "informer" under the old act of 1799?

Answer. Any person giving information.

Question. Whether his name appears in the proceedings by which the condemnation is effected or not?

Answer. Certainly.

Question. And whether he is known as having furnished the information or not?

Answer. He must have furnished the information to the revenue officer. For instance, if I discover a fraud, and give notice thereof to the collector, I am entitled to claim my share as an informer.

Question. Without having filed any information under oath or otherwise?

Answer. An oath is not necessary.

Question. Nor writing?

Answer. It is not absolutely necessary that the information should be in writing.

Question. The practice is to give the informer one-half of the moiety going to the officers, whether the information is furnished secretly or openly?

Answer. Yes, sir.

Question. For what length of time have you been acting in the capacity of auditor?

Answer. Since January, 1842.

Question. What has been the practice, in your office, in reference to making memoranda, or furnishing data from which memoranda may be made, of amounts which may have been received by officers connected with the custom-house in the adjustment of claims against property or parties for alleged violation of the revenue laws, and which have not been the subject of any public proceeding?

Answer. The books kept in my office show the amounts paid in all such cases.

Question. State the practice.

Answer. The money is paid to me, and I distribute it according to law.

Question. By whom is it paid to you in cases where there has been an adjustment without any legal proceeding?

Answer. By the claimant, or the party who incurs the forfeiture.

Question. Does it always come directly to your hands from the person interested, or does it come through the intervention of some other custom-house officer? And how are you informed of the adjustment of the liabilities in cases where forfeitures have been incurred and adjusted without any legal proceeding?

Answer. By the officer in charge of that bureau, of which deputy collector Henry B. Stanton is the head. The adjustment is made in that bureau, but the money is generally brought by the claimant, though, in some instances, it may have been brought by persons in that office.

Question. Who exercises the authority of adjusting such cases?

Answer. The collector, naval officer, and surveyor, jointly.

Question. In such cases, do you, as auditor, become ever informed of the data upon which demands of the government are adjusted? or are you simply informed of the payment to the government of a specific sum of money?

Answer. The auditor has always the appraised value of the goods.

Question. Is the appraisement of the goods furnished to you?

Answer. Always.

Question. Through the law bureau?

Answer. Yes.

Question. What is the object of that mode of adjustment?

Answer. To save costs.

Question. Is that the only motive inducing that mode of adjusting these demands?

Answer. The motives are to save costs and delay.

Question. Are not these violations of law sometimes adjusted or compromised for the purpose of avoiding the publicity of legal proceedings; and if so, through the intervention of what officer is such compromise effected? What data is furnished to your office in such a case, and by whom is the money paid to you?

Answer. To avoid publicity may be an inducement upon the part of the claimant to settle in that way. I have no data of such cases, and am not aware of any such compromises being made beyond the mere fact of receiving the money, which is always paid in the same way. I always know the party by whom it is paid?

Question. Does your record show the person by whom the money is paid?

Answer. It shows the name of the party, and his admission of the forfeiture is filed.

Question. No sum of money, then, is ever paid to your office except in one of two ways: either the money comes through a regular judgment of forfeiture, or through what would be called a compromise of the transaction without the publicity of legal proceedings?

Answer. It comes either through the judgment of a court, or as a voluntary payment by the claimant of the goods.

Question. But where the payment is voluntary the record shows by whom paid and for what paid?

Answer. It shows the person for whom paid, for what paid, and the appraised value which forms the basis of the payment.

Question. In such cases is the appraised value of the property forfeited always paid?

Answer. Yes, sir.

Question. Under whose direction is that appraisement always made?

Answer. By the United States appraisers.

Question. By whom are they appointed?

Answer. By the President, by and with the advice and consent of the Senate. Three are appointed for this port, in addition to a general appraiser.

Question. Do you know of any instance, or have you heard of any, or of any facts tending to create a suspicion of the existence of any such, where property seized by any officer of the government for a violation, or alleged violation, of the revenue laws has been released by any authority whatever, except on the judgment of a court, without the appraised value of the property being paid into your office?

Answer. I know of no such cases, and have no suspicion that any such have ever occurred.

Question. If property is seized, then it is either regularly condemned or released, or the value of the property is paid into your office?

Answer. Yes, sir.

Question. In all cases?

Answer. Yes, sir.

Question. Will you furnish to the committee a statement of the moneys paid into your office during the four years preceding the first of December, 1862, on account of violation of the revenue laws, and specifying for what paid; whether on a judicial condemnation, compromise, or as the appraised value of the property; the person or persons by whom paid, with such a description of the property as may be conveniently furnished; also the amount paid during each of said years, and how much of it has been paid to the collector, naval officer, and surveyor for each of said years?

Answer. I will furnish such a statement.

The following is the statement subsequently furnished:

STATEMENTS
OF
FINES, PENALTIES, AND FORFEITURES
ACCRUED IN
THE DISTRICT OF NEW YORK.

Part iii—2

Statement of fines, penalties, and forfeitures accrued in the district

| Date. | Description of property. | Whether on judicial condemnation, voluntary payment of appraised value, or fine. |
|----------|--|--|
| 1858. | | |
| Dec. 31 | One case, C No. 3, and one bundle, C No. 4, containing embroideries, &c. | Judicial condemnation.. |
| 31 | Five cases, [S] 7, 8, 11, 12, 16, containing sheepskins, &c.... |do..... |
| 31 | One box and one valise, Daniel Dix, containing laces, &c..... |do..... |
| 31 | One parcel without mark, containing embroideries, &c..... |do..... |
| 31 | One parcel without mark, containing precious stones |do..... |
| 31 | 865 1-10 boxes, 98 $\frac{1}{2}$ boxes, 2 cases marked "P P," containing cigars... |do..... |
| 31 | Six cases, C W No. 3, A M 80, 81, A G 56, &c., &c., containing straw and hair braid, &c. |do..... |
| 31 | 89 cases, S. B. & Co., 10 cases, S. B. & Co., 1 case, S B—y 57, containing glass, fancy goods, &c |do..... |
| 31 | One package, John McKay, containing muslins, laces, &c..... |do..... |
| 1859. | | |
| Jan. 31 | Fine incurred by Captain Foster of bark Teresa, under section 50 of act of March 2, 1799. | Fine |
| 31 | Illegal importation released from forfeiture by Secretary of Treasury, per letter December 29, 1858. | Fine equivalent to duties. |
| 31 | 65 tierces and 27 barrels molasses. | Fine imposed by Secretary of Treasury. |
| 31 | 1,041 1-10 boxes, 40 $\frac{1}{2}$ boxes, marked M N, and other cases, containing cigars. | Judicial condemnation.. |
| 31 | 14 cases, S H G 1, 2, 3, and L P 3496, 3497, &c., containing cut-glass, china, and metal goods. |do..... |
| 31 | One cask whiskey, marked C No. 1, and three cases brandy..... | Fine imposed by Secretary of Treasury. |
| Feb. 28 | One package, containing jewelry, laces, and other articles | Judicial condemnation.. |
| 28 | Two dozen bottles whiskey | Fine imposed by Secretary of Treasury. |
| 28 | 102 $\frac{1}{2}$ boxes, containing cigars | Judicial condemnation.. |
| 28 | Two trunks, marked Wm. Brown, containing shirts, linen, &c..... |do..... |
| 28 | One case and one barrel, marked A. James, containing cigars |do..... |
| 28 | One parcel, marked Charles Dupont, containing jewelry and other articles. |do..... |
| Mar. 31 | A quantity of chamois, oil fleshes, glue, and other articles |do..... |
| 31 | One case, marked Clark & Pendleton, containing cigars..... |do..... |
| 31 | One case, marked B A 5934, containing corsets..... |do..... |
| 31 | 70 cases, marked F. & Co., containing German cigars |do..... |
| 31 | Four cases, [A] [B] [C] [D], containing embroideries..... |do..... |
| 31 | One case, [E], containing embroideries |do..... |
| 31 | Sundry illegal importations released from forfeiture by Secretary of Treasury. | Fine imposed by Secretary of Treasury. |
| April 30 | 100 bales tobacco, marked P E. | Judicial condemnation.. |
| 30 | Two case, C F A H, containing statuettes |do..... |
| 30 | Remission of the forfeiture of the ship Humboldt, by warrant filed October 3, 1857. | Fine imposed by Secretary of Treasury. |
| 30 | One case optical instruments, marked A. B. & Co. 1617..... |do..... |
| 30 | Two cases containing 48 bottles cordial | Appraised value |
| 30 | Sundry illegal importations released from forfeiture..... | Fine imposed by Secretary of Treasury. |
| May 31 | Five cases, S. H. & Co., containing fancy goods, &c..... | Judicial condemnation.. |
| 31 | One case [S] containing 8,000 cigars..... |do..... |
| 31 | Fine incurred by Captain Larabee, of brig Abby Thaxter, under section 45 of act March 2, 1799. | Fine |
| 31 | Bond of William Lobach and Edward Stucken for production of invoice, (per Queen of the Seas for Shanghai.) | Forfeiture..... |
| 31 | Sundry illegal importations released from forfeiture.... | Fine imposed by Secretary of Treasury. |
| 31 | Fine incurred by master of ship Betsey Ames under section 24 of act March 2, 1799. | Fine..... |
| June 30 | One case, marked C. S. & Co. 350, containing head-dresses, mock jewelry, &c. | Judicial condemnation.. |
| 30 | Sundry illegal importations released from forfeiture | Fine imposed by Secretary of Treasury. |
| 30 | Three cases calfskins, D V 3938, 14, 13, and five cases D V 3359, 8, 12, 224, 4318. | Judicial condemnation.. |
| 30 | One parcel, marked John Sand, containing 12 watches, seized from a passenger per Kangaroo. | Appraised value..... |
| 30 | One box, containing 850 cigars, seized from a passenger per Philadelphia. | Appraiser's value |
| 30 | One barrel rum, 2 $\frac{1}{4}$ gallons, J. M. V., by J. M. Valerino, per Jaffa..... | Fine imposed by Secretary of Treasury. |
| July 31 | 2 gold watches, 3 silver watches, and one gold chain, &c., &c..... | Judicial condemnation .. |
| 31 | 1 package without mark, containing 6 gold watches and 2 silver watches |do..... |
| 31 | 1 case L F S, containing stereoscopic views, &c..... |do..... |

of New York from December 1, 1858, to December 1, 1859.

| Claimants. | Gross proceeds. | Officers of court. | United States. | Informet. | Collector. | Naval officer. | Surveyor. |
|-------------|-----------------|--------------------|----------------|-----------|------------|----------------|-----------|
| | \$907 25 | \$145 57 | \$380 84 | | \$126 94 | \$126 95 | \$126 95 |
| | 519 35 | 124 79 | 197 28 | \$98 64 | 32 85 | 32 88 | 32 88 |
| | 1,008 61 | 145 21 | 431 70 | | 143 90 | 143 90 | 143 90 |
| | 121 91 | 97 85 | | | 8 02 | 8 02 | 8 02 |
| | 163 50 | 65 47 | 16 28 | | 27 25 | 27 25 | 27 25 |
| | 2,426 02 | 101 89 | 1,162 07 | | 357 36 | 357 35 | 357 35 |
| | 3,235 80 | | 1,617 90 | | 539 30 | 539 30 | 539 30 |
| | 9,988 75 | 216 33 | 4,886 21 | | 1,628 73 | 1,628 74 | 1,628 74 |
| | 91 63 | 91 63 | | | | | |
| | 400 00 | | 200 00 | | 66 67 | 66 66 | 66 67 |
| | 3 60 | | 1 80 | | 60 | 60 | 60 |
| | 147 04 | | 73 52 | | 24 51 | 24 51 | 24 50 |
| | 4,551 93 | 135 37 | 2,208 28 | | 736 10 | 736 09 | 736 09 |
| | 1,500 00 | 90 60 | 704 70 | | 234 90 | 234 90 | 234 90 |
| | 19 68 | | 9 84 | | 3 28 | 3 28 | 3 28 |
| | 1,010 00 | 90 55 | 459 73 | | 153 24 | 153 24 | 153 24 |
| | 3 00 | | 1 50 | | 50 | 50 | 50 |
| | 96 42 | 92 29 | | | 1 37 | 1 38 | 1 38 |
| | 103 27 | 93 25 | | | 3 34 | 3 34 | 3 34 |
| | 261 30 | 102 74 | 79 28 | | 26 43 | 26 42 | 26 43 |
| | 225 55 | 100 08 | 12 69 | | 37 60 | 37 59 | 37 59 |
| | 6,534 65 | 189 02 | 3,172 91 | | 1,057 64 | 1,057 64 | 1,057 64 |
| | 667 35 | 129 94 | 268 70 | | 89 57 | 89 57 | 89 57 |
| | 670 68 | 76 61 | 297 04 | | 99 01 | 99 01 | 99 01 |
| | 2,000 00 | 103 65 | 948 17 | | 316 06 | 316 06 | 316 06 |
| | 2,465 00 | 126 42 | 1,169 29 | | 389 77 | 389 76 | 389 76 |
| | 535 00 | 90 22 | 222 39 | | 74 13 | 74 13 | 74 13 |
| | 140 46 | | 70 23 | | 23 41 | 23 41 | 23 41 |
| | 1,469 20 | 183 88 | 642 67 | | 214 23 | 214 22 | 214 22 |
| | 138 40 | 92 96 | | | 15 14 | 15 15 | 15 15 |
| | 400 00 | | 200 00 | | 66 66 | 66 67 | 66 67 |
| L. Struller | 185 28 | | 92 64 | | 30 88 | 30 88 | 30 88 |
| P. Herring | 12 00 | | 6 00 | | 2 00 | 2 00 | 2 00 |
| | 18 30 | | 9 15 | | 3 05 | 3 05 | 3 05 |
| | 8,287 08 | | 4,143 54 | | 1,381 18 | 1,381 18 | 1,381 18 |
| | 360 00 | 70 60 | 144 70 | | 48 24 | 48 23 | 48 23 |
| | 189 00 | | 94 50 | | 31 50 | 31 50 | 31 50 |
| | 100 00 | | 50 00 | | 16 66 | 16 67 | 16 67 |
| | 21 00 | | 10 50 | | 3 50 | 3 50 | 3 50 |
| | 79 20 | | 39 60 | | 13 20 | 13 20 | 13 20 |
| | 201 00 | 66 92 | 33 58 | | 33 50 | 33 50 | 33 50 |
| | 13 20 | | 6 60 | | 2 20 | 2 20 | 2 |
| | 3,003 16 | 112 15 | 1,445 50 | | 461 83 | 461 84 | 461 84 |
| | 125 00 | | 62 50 | | 20 84 | 20 83 | 20 83 |
| John Myers | 20 40 | | 10 20 | | 3 40 | 3 40 | 3 40 |
| | 5 10 | | 2 55 | | 85 | 85 | 85 |
| | 181 00 | 101 17 | | | 26 61 | 26 61 | 26 61 |
| | 111 50 | 96 95 | | | 4 85 | 4 85 | 4 85 |
| | 196 34 | 100 52 | | | 31 94 | 31 94 | 31 94 |

Statement of fines, penalties, and forfeitures accrued

| Date. | Description of property. | Whether on judicial condemnation, voluntary payment of appraised value, or fine. |
|----------|--|--|
| 1859. | | |
| July 31 | 41 tubs Swiss cheese, R G, 2 casks sapsago cheese, S, 14 casks do, &c., &c. | Judicial condemnation . |
| 31 | 11 cases S B, 8 a 18, containing hatters' furs, &c. | do . |
| 31 | Bond of J. E. Hanford to procure landing certificate | Forfeiture |
| 31 | One cask, containing 18 gallons whiskey, released from forfeiture | Fine imposed by Secretary of Treasury. |
| Aug. 31 | 24 cases, marked F T, &c., containing calf-skins and other merchandise . | Judicial condemnation . |
| 31 | One case, G A H No. 891, containing watch materials. | do . |
| 31 | Two kegs without mark, containing quinine and other merchandise | do . |
| 31 | 800 $\frac{1}{2}$ boxes cigars, marked Bella Cubana | do . |
| 31 | Fine incurred by Capt. Gardner, of bark John Benson, under sec. 50, act 1799. | Fine |
| 31 | Sundry illegal importations released from forfeiture | Fine imposed by Secretary of Treasury. |
| 31 | Six cases, S & H, containing corsets, and other cases | Judicial condemnation . |
| 31 | Six cases, marked A M & C, containing manufactures of silk, corsets, &c. | do . |
| 31 | One case, K No. 4, containing chinaware, &c., and other goods | do . |
| 31 | One box, marked "Jas. McCreery," containing one stereoscope, &c. | do . |
| Sept. 30 | One parcel, marked "John Foggan," containing embroideries, &c | do . |
| 30 | Two packages, marked "Joseph Fletcher," containing gold watches and other jewelry. | do . |
| 30 | One package, marked "Henri Williams," containing thread lace, &c | do . |
| 30 | 175 gross hock bottles and other articles. | do . |
| 30 | One trunk, without mark, containing silk and lace mantillas, &c | do . |
| Oct. 31 | Four cases, C L, containing ultramarine and other articles | do . |
| 31 | One package, containing 5 dozen cigar-holders | do . |
| 31 | N N P, one case, containing 35 dozen pairs of embroidered slippers. | do . |
| 31 | One parcel of jewelry | do . |
| 31 | 30 cases, S B 2400 a 2429, and other cases, containing cheese | do . |
| 31 | 100 1-10 boxes cigars, &c. | do . |
| 31 | One case, B del Pozo, containing cigars | do . |
| 31 | One box, containing a lot of toys, child's doll, metal and wood boxes, and 5 indecent photographs. | Appraised value |
| 31 | Sundry illegal importations released from forfeiture | Fine imposed by Secretary of Treasury. |
| Nov. 30 | 441 bales tobacco, P H—A U, &c., &c | Judicial condemnation . |
| 30 | One parcel, marked "Colomb," containing a gold watch, jewelry, &c. | Appraised value |
| 30 | 7 casks soda condemned in the district of Rhode Island | do . |
| 30 | One package, marked Mr. Fourrier, containing gold watches and jewelry. | Judicial condemnation . |
| 30 | 30 parcels of merchandise, E B, &c., containing tools, &c. | do . |
| 30 | One package, marked "Denmead," containing 12 Scotch caps, ribbons, &c. | do . |
| 30 | One case, marked A E, A. Moller & Co., No. 6, containing jewelry | do . |
| 30 | One case, [C] No. 58, containing embroideries, &c | do . |

Statement of fines, penalties, and forfeitures accrued in the district

| Date. | Description of property. | Whether on judicial condemnation, voluntary payment of appraised value, or fine. |
|---------|--|--|
| 1859. | | |
| Dec. 31 | 11 1-10 boxes and 1 bag of cigars, seized from on board schooner Southerner from Havana. | Appraised value |
| 31 | Sundry illegal importations released from forfeiture | Fine imposed by Secretary of Treasury. |
| 1860. | | |
| Jan. 31 | One trunk, containing watches, jewelry, &c. | Judicial condemnation . |
| 31 | One case, N R No. 7, containing embroideries | do . |
| 31 | One parcel, marked "Gambriel," containing jewelry | do . |
| 31 | One package, marked "Simon," containing jewelry | do . |
| 31 | One package, without mark, containing watch movements | do . |
| 31 | One carpet-bag, containing needlework, &c. | do . |
| 31 | 16 cases, marked C L 166, 172, 44 B B 177, &c , containing flowers and confectionery. | do . |

in the district of New York, &c.—Continued.

| Claimants. | Gross proceeds. | Officers of court. | United States. | Informers. | Collector. | Naval officer. | Surveyor. |
|-------------|-----------------|--------------------|----------------|------------|------------|----------------|-----------|
| ..... | \$5,804 06 | ..... | \$2,902 03 | ..... | \$967 34 | \$967 34 | \$967 35 |
| ..... | 10,000 02 | ..... | 5,000 01 | ..... | 1,666 67 | 1,666 67 | 1,666 67 |
| ..... | 40 00 | ..... | 20 00 | ..... | 6 66 | 6 67 | 6 67 |
| J. Pitts | 7 80 | ..... | 3 90 | ..... | 1 30 | 1 30 | 1 30 |
| ..... | 11,628 15 | \$242 72 | 5,692 72 | ..... | 1,897 57 | 1,897 57 | 1,897 57 |
| ..... | 650 00 | 76 75 | 286 63 | ..... | 95 54 | 95 54 | 95 54 |
| ..... | 552 60 | 131 69 | 210 46 | ..... | 70 15 | 70 15 | 70 15 |
| ..... | 1,269 00 | 195 24 | 536 88 | ..... | 178 96 | 178 96 | 178 96 |
| ..... | 400 00 | ..... | 200 00 | ..... | 66 67 | 66 66 | 66 67 |
| ..... | 10 20 | ..... | 5 10 | ..... | 1 70 | 1 70 | 1 70 |
| ..... | 900 80 | 79 40 | 410 70 | ..... | 136 90 | 136 90 | 136 90 |
| ..... | 4,002 75 | 125 95 | 1,938 40 | ..... | 646 14 | 646 13 | 646 13 |
| ..... | 410 00 | 71 60 | 169 20 | ..... | 56 40 | 56 40 | 56 40 |
| ..... | 200 50 | 66 40 | 33 85 | ..... | 33 41 | 33 42 | 33 42 |
| ..... | 849 45 | 144 14 | 352 66 | ..... | 117 55 | 117 55 | 117 55 |
| ..... | 180 58 | 111 91 | ..... | ..... | 22 89 | 22 89 | 22 89 |
| ..... | 175 92 | 98 32 | ..... | ..... | 25 86 | 25 87 | 25 87 |
| ..... | 3,003 80 | ..... | 1,501 90 | ..... | 500 64 | 500 63 | 500 63 |
| ..... | 87 00 | 87 00 | ..... | ..... | ..... | ..... | ..... |
| ..... | 5,003 19 | 138 04 | 2,432 57 | ..... | 810 86 | 810 86 | 810 86 |
| ..... | 205 00 | 76 40 | 26 10 | ..... | 34 16 | 34 17 | 34 17 |
| ..... | 274 00 | 77 78 | 98 11 | ..... | 32 71 | 32 70 | 32 70 |
| ..... | 890 00 | 74 40 | 362 80 | ..... | 120 94 | 120 93 | 120 93 |
| ..... | 6,800 23 | 166 00 | 3,317 11 | ..... | 1,105 70 | 1,105 71 | 1,105 71 |
| ..... | 359 90 | 113 94 | 122 98 | ..... | 40 99 | 40 99 | 41 00 |
| ..... | 224 50 | 102 34 | 9 91 | ..... | 37 42 | 37 42 | 37 41 |
| Dr. Menoral | 15 00 | ..... | 7 50 | ..... | 2 50 | 2 50 | 2 50 |
| ..... | 29 10 | ..... | 14 55 | ..... | 4 85 | 4 85 | 4 85 |
| ..... | 16,407 00 | 309 30 | 8,048 85 | ..... | 2,682 95 | 2,682 95 | 2,682 95 |
| ..... | 75 00 | ..... | 37 50 | ..... | 12 50 | 12 50 | 12 50 |
| John Lloyd | 4,650 00 | 11 62 | 3,478 79 | ..... | 386 53 | 386 53 | 386 53 |
| ..... | 4,514 00 | ..... | 2,257 00 | ..... | 752 34 | 752 33 | 752 33 |
| ..... | 4,123 67 | 124 86 | 1,999 40 | ..... | 666 47 | 666 47 | 666 47 |
| ..... | 113 50 | 75 48 | ..... | ..... | 12 68 | 12 67 | 12 67 |
| ..... | 337 19 | 112 27 | 112 46 | ..... | 37 43 | 37 49 | 37 49 |
| ..... | 761 35 | 132 16 | 314 60 | ..... | 104 87 | 104 86 | 104 86 |
| ..... | 139,779 37 | 6,180 32 | 67,491 25 | \$98 64 | 22,003 07 | 22,003 03 | 22,003 06 |

of New York from December 1, 1859, to December 1, 1860.

| Claimants. | Gross proceeds. | Officers of court. | United States. | Informers. | Collector. | Naval officer. | Surveyor. |
|---------------|-----------------|--------------------|----------------|------------|------------|----------------|-----------|
| ..... | \$51 00 | ..... | \$25 50 | ..... | \$8 50 | \$8 50 | \$8 50 |
| ..... | 34 86 | ..... | 17 43 | ..... | 5 81 | 5 81 | 5 81 |
| Charles Warms | 2,871 13 | \$286 77 | 1,292 18 | ..... | 430 73 | 430 73 | 430 72 |
| ..... | 319 54 | 109 30 | 105 12 | ..... | 35 04 | 35 04 | 35 04 |
| ..... | 4,713 06 | 323 78 | 2,194 64 | ..... | 731 54 | 731 55 | 731 55 |
| ..... | 2,820 92 | 239 07 | 1,290 93 | \$645 46 | 215 16 | 215 15 | 215 15 |
| ..... | 148 50 | 98 24 | ..... | ..... | 16 76 | 16 75 | 16 75 |
| ..... | 96 75 | 95 22 | ..... | ..... | 51 | 51 | 51 |
| ..... | 1,803 82 | 93 85 | 854 98 | ..... | 285 00 | 285 00 | 284 99 |

Statement of fines, penalties, and forfeitures accrued

| Date. | Description of property. | Whether on judicial condemnation, voluntary payment of appraised value, or fine. |
|----------|---|--|
| 1860. | | |
| Feb. 29 | 1 parcel, marked L M No. 113, containing jewelry, &c..... | Judicial condemnation.. |
| 29 | 1 case, marked H No. 102, containing galloons | do..... |
| 29 | 17 casks, marked R S No. 28 <i>a</i> 44, containing prunes, and other casks .. | do..... |
| 29 | 48 casks oil, S F, 91 <i>a</i> 138, and 72 chests of indigo, P S—A, and 14 chests indigo [P S]—A, 101 <i>a</i> 114. | do..... |
| 29 | Sundry illegal importations released from forfeiture | Fine imposed by Secretary of Treasury. |
| 29 | 4 gold watches and 2 silver watches | Judicial condemnation.. |
| 29 | Sundry illegal importations released from forfeiture | Fine imposed by Secretary of Treasury. |
| Mar. 31 | One box, marked "E. Bandclari," containing coral ornaments..... | Judicial condemnation.. |
| 31 | A quantity of embroidered collars, chemisettes, sleeves, and flouncees... | do..... |
| 31 | Two cases, marked R. A. & Co.—M & S, containing cigars | do..... |
| 31 | One parcel, marked Wallman C. Wallman, containing watches, &c..... | do..... |
| 31 | One case, marked M T No. 2, containing spectacles, stereoscopic slides, &c. | do..... |
| 31 | 1 bale wool mats, marked 4 [101] 4—16..... | do..... |
| 31 | 1 case, W W No. 1781, containing engravings, &c..... | do..... |
| 31 | 1 case, H & T No. 67, containing optical instruments | do..... |
| April 30 | 2 cases, D & B No. 1262, 1263, containing stereoscopic views, &c., released from forfeiture. | Fine imposed by Secretary of Treasury. |
| 30 | 1 package, marked "John Arthur," containing jewelry | Judicial condemnation.. |
| 30 | 1 case, T T No. 2, containing books..... | do..... |
| 30 | 1 package, containing mock jewelry, seized from Rosenthal, passenger per Arago. | Appraised value..... |
| May 31 | 1 box, marked H & S No. 1011, containing 125 cigar tubes and 54 do. <i>indecent</i> . | do..... |
| 31 | 1 case, S. B. & Co., 6919, containing snuff boxes, &c., released from forfeiture. | Fine imposed by Secretary of Treasury. |
| 31 | 2 cases, [S] S 553, 554, containing handkerchiefs, &c., released from forfeiture. | do..... |
| 31 | 10 barrels of ale, containing less than 40 gallons each, released from forfeiture. | do..... |
| 31 | 176 boxes cigars, marked J R | Judicial condemnation.. |
| 31 | 1 tin box and 1 package, containing silks and ribbons | do..... |
| 31 | 1 case, marked A A S—G No. 6, containing cigars; remainder of cases acquitted by the court. | do..... |
| 31 | 1 trunk and 1 bag, containing cigars | do..... |
| 31 | 1 case, marked L. M. & Co., containing cigars..... | do..... |
| 31 | 1 case, marked M—+ 100, containing capes and sewing silk..... | do..... |
| June 30 | Sundry illegal importations released from forfeiture..... | Fine imposed by Secretary of Treasury. |
| 30 | 1 case, marked A W 1374, containing photographs, released from forfeiture. | do..... |
| 30 | 1 case, J E 289, containing 75 pieces porcelain, (2 figures obscene)..... | Appraised value..... |
| 30 | 2 cases, G & N—N 986, 987, containing optical instruments, released from forfeiture. | Fine imposed by Secretary of Treasury. |
| July 31 | 4 cases, A & E 4000-1-4-5, containing bleached cottons and other cases and goods. | Judicial condemnation.. |
| 31 | 4½ boxes and 11 1-10 boxes cigars, and 2 kegs tamarinds, found in bark N. W. Bridge, from Matanzas. | Appraised value..... |
| 31 | 3 packages, L E3, 84, 85, containing hair and bristles, and other packages. | Judicial condemnation.. |
| 31 | 1 case, M W—N 344, containing fancy goods, released from forfeiture... | Fine imposed by Secretary of Treasury. |
| 31 | 8 packages, containing porcelain, pearls, jewelry, &c..... | Judicial condemnation.. |
| Aug. 31 | A quantity of rags, sumac, almonds, and sulphur..... | do..... |
| 31 | 200 cases, M & G, containing olive oil | do..... |
| 31 | Bark Julie, for violation of the navigation act of March 1, 1817..... | Fine imposed by Secretary of Treasury. |
| 31 | Five cases, M Y, 1 <i>a</i> 5, containing cigars..... | Judicial condemnation.. |
| 31 | Two cases, R J B, 2405, 2406, containing porcelain figures, &c..... | do..... |
| 31 | 1 parcel, S & L, containing watches | do..... |
| 31 | 42 bales, F M T, containing wool | do..... |
| Sept. 30 | 1 parcel, containing fans, silks, &c., seized for landing without permit .. | Appraised value..... |
| 30 | 1 parcel, containing diamond jewelry | Judicial condemnation.. |
| 30 | 126 bales, marked [A.] containing padding | do..... |
| 30 | 3 cases, marked C L, 508 <i>a</i> 510, containing confectionery | do..... |
| 30 | 1 bale, marked R H 6226, containing woollens | do..... |
| 30 | Three pipes of gin | do..... |
| 30 | 4 cases, marked H M, containing confectionery | do..... |
| Oct. 31 | 1 parcel, without mark, containing jewelry, 407 gold finger-rings, &c..... | do..... |
| 31 | 1 package, containing 306 watches | do..... |
| 31 | 1 case, A R, No. 874, containing watchmakers' tools..... | do..... |
| 31 | 1 package, without mark, containing embroideries..... | do..... |

in the district of New York, &c.—Continued.

| Claimants. | Gross proceeds. | Officers of court. | United States. | Informer. | Collector. | Naval officer. | Surveyor. |
|-----------------------------|-----------------|--------------------|----------------|-----------|------------|----------------|-----------|
| ..... | \$705 46 | \$130 73 | \$287 36 | ..... | \$95 79 | \$95 79 | \$95 79 |
| ..... | 930 00 | 141 50 | 394 25 | ..... | 131 41 | 131 42 | 131 42 |
| ..... | 2,503 46 | 103 97 | 1,199 74 | ..... | 399 92 | 399 91 | 399 92 |
| ..... | 13,745 50 | 273 17 | 6,736 16 | ..... | 2,245 39 | 2,245 39 | 2,245 39 |
| ..... | 151 98 | ..... | 75 99 | ..... | 25 33 | 25 33 | 25 33 |
| ..... | 165 00 | 63 62 | 18 88 | ..... | 27 50 | 27 50 | 27 50 |
| ..... | 48 04 | ..... | 24 02 | ..... | 8 01 | 8 01 | 8 00 |
| ..... | 200 00 | 64 32 | 35 68 | \$50 00 | 16 67 | 16 66 | 16 67 |
| ..... | 956 65 | 204 08 | 376 28 | ..... | 125 43 | 125 43 | 125 43 |
| ..... | 862 40 | 161 96 | 350 22 | ..... | 116 74 | 116 74 | 116 74 |
| ..... | 373 75 | 111 87 | 130 94 | ..... | 43 65 | 43 65 | 43 64 |
| ..... | 321 78 | 109 18 | 106 30 | ..... | 35 43 | 35 43 | 35 44 |
| ..... | 129 48 | 90 71 | ..... | ..... | 12 93 | 12 92 | 12 92 |
| ..... | 66 50 | 66 50 | ..... | ..... | ..... | ..... | ..... |
| ..... | 54 57 | 54 57 | ..... | ..... | ..... | ..... | ..... |
| E. & J. Deraismes | 95 34 | ..... | 47 67 | ..... | 15 89 | 15 89 | 15 89 |
| ..... | 475 00 | 79 80 | 197 60 | ..... | 65 87 | 65 87 | 65 86 |
| ..... | 125 20 | 61 81 | 79 | ..... | 20 87 | 20 87 | 20 86 |
| ..... | 96 00 | ..... | 48 00 | ..... | 16 00 | 16 00 | 16 00 |
| ..... | 65 00 | ..... | 32 50 | ..... | 10 84 | 10 83 | 10 83 |
| Simon Bache & Co | 68 40 | ..... | 34 20 | ..... | 11 40 | 11 40 | 11 40 |
| A. & E. Scheitlin | 196 80 | ..... | 98 40 | ..... | 32 80 | 32 80 | 32 80 |
| James Salter | 38 64 | ..... | 19 32 | ..... | 6 44 | 6 44 | 6 44 |
| ..... | 662 95 | 129 88 | 266 54 | ..... | 88 85 | 88 84 | 88 84 |
| ..... | 137 00 | 97 57 | ..... | ..... | 13 14 | 13 14 | 13 15 |
| ..... | 116 40 | 113 25 | ..... | ..... | 1 05 | 1 05 | 1 05 |
| ..... | 66 20 | 66 20 | ..... | ..... | ..... | ..... | ..... |
| ..... | 84 38 | 84 38 | ..... | ..... | ..... | ..... | ..... |
| ..... | 93 09 | 93 09 | ..... | ..... | ..... | ..... | ..... |
| ..... | 31 08 | ..... | 15 54 | ..... | 5 18 | 5 18 | 5 18 |
| A. Wallach | 115 05 | ..... | 57 53 | ..... | 19 18 | 19 17 | 19 17 |
| A. Moller & Co | 40 00 | ..... | 20 00 | ..... | 6 66 | 6 67 | 6 67 |
| Goldbacker & Newburgh Bros. | 282 48 | ..... | 141 24 | ..... | 47 08 | 47 08 | 47 08 |
| ..... | 6,508 14 | 162 44 | 3,172 85 | ..... | 1,057 62 | 1,057 62 | 1,057 61 |
| ..... | 102 80 | ..... | 51 40 | ..... | 17 14 | 17 13 | 17 13 |
| ..... | 2,005 50 | 94 89 | 955 30 | ..... | 318 44 | 318 43 | 318 44 |
| Emden, Gaus & Co | 56 16 | ..... | 28 08 | ..... | 9 36 | 9 36 | 9 36 |
| ..... | 2,991 00 | 109 68 | 1,440 66 | ..... | 480 22 | 480 22 | 480 22 |
| ..... | 12,413 00 | 249 79 | 6,081 61 | ..... | 2,027 20 | 2,027 20 | 2,027 20 |
| ..... | 446 40 | 71 25 | 187 57 | ..... | 62 53 | 62 52 | 62 53 |
| ..... | 289 00 | ..... | 144 50 | ..... | 48 16 | 48 17 | 48 17 |
| ..... | 978 00 | 206 56 | 385 72 | ..... | 128 58 | 128 57 | 128 57 |
| ..... | 153 50 | 139 30 | ..... | ..... | 4 73 | 4 73 | 4 74 |
| ..... | 156 25 | 100 07 | ..... | ..... | 18 73 | 18 73 | 18 72 |
| ..... | 3,048 40 | 109 94 | 1,469 23 | ..... | 489 75 | 489 74 | 489 74 |
| ..... | 88 00 | ..... | 44 00 | ..... | 14 66 | 14 67 | 14 67 |
| ..... | 965 00 | 82 19 | 441 41 | ..... | 147 14 | 147 13 | 147 13 |
| ..... | 18,300 25 | 337 50 | 8,981 37 | ..... | 2,993 80 | 2,993 79 | 2,993 79 |
| ..... | 202 00 | 64 54 | 36 46 | ..... | 33 67 | 33 66 | 33 67 |
| ..... | 585 81 | 112 84 | 236 48 | ..... | 78 83 | 78 83 | 78 83 |
| ..... | 133 20 | 63 17 | 3 43 | ..... | 22 20 | 22 20 | 22 20 |
| ..... | 247 26 | 67 45 | 139 90 | ..... | 46 64 | 46 64 | 46 63 |
| ..... | 307 60 | 67 88 | 119 86 | ..... | 39 96 | 39 95 | 39 95 |
| ..... | 5,105 25 | 140 79 | 2,482 23 | ..... | 827 41 | 827 41 | 827 41 |
| ..... | 711 43 | 131 50 | 289 96 | ..... | 96 65 | 96 66 | 96 66 |
| ..... | 135 00 | 63 20 | 4 30 | ..... | 22 50 | 22 50 | 22 50 |

Statement of fines, penalties, and forfeitures accrued

| Date. | Description of property. | Whether on judicial condemnation, voluntary payment of appraised value, or fine. |
|---------|---|--|
| 1860. | | |
| Oct. 31 | 1 tin case, marked G. Joechim, containing gold leaf..... | Judicial condemnation. |
| 31 | 2 cases, marked J W Q 3570 and 3571, containing optical instruments, released from forfeiture. | Fine imposed by Secretary of Treasury. |
| Nov. 30 | 9 cases, marked J. H. & Co., Nos. 26 a 34, containing smoking pipes, &c., released from forfeiture. | do |
| 30 | 1 parcel, marked "L. Young," containing gold watch, scarf-pin, &c., seized from a passenger per Persia. | Appraised value..... |
| 30 | 5 dozen plated spoons and other goods..... | Judicial condemnation.. |
| 30 | Two packages of silverware and jewelry, without mark..... | do |
| 30 | 32 cases, marked R Nos. 1 a 32, containing red wine..... | do |
| 30 | 8 bales woolen cloth, marked C B Nos. 7880 a 7887..... | do |
| 30 | A quantity of lace, 1 gold watch, and 3 neck chains..... | do |
| | Total..... | |

Statement of fines, penalties, and forfeitures accrued in the dis

| Date. | Description of property. | Whether on judicial condemnation, voluntary payment of appraised value, or fine. |
|----------|---|--|
| 1860. | | |
| Dec. 31 | 1 case, "A. Geiger," containing mock jewelry, &c..... | Fine imposed by Secretary of Treasury. |
| 31 | [C] 1 a 13, 13 casks ale, each 4 dozen, per Andrew Jackson..... | Appraised value..... |
| 31 | 12 cases, marked H B, containing paper..... | Judicial condemnation.. |
| 31 | H M 1 and 2, 2 cases confectionery, forfeited under act March 2, 1857... | Appraised value..... |
| 31 | P B 446, 1 case printed books, photographs, &c..... | do |
| 31 | 4 cases, marked A L 2745 a 2748, containing human hair..... | Judicial condemnation.. |
| 31 | 2 cases, marked C J No. 525 and 526, containing gold and silver watches. | do |
| 31 | 1 package of jewelry, marked John Calder..... | do |
| 31 | 1 case, marked S H and C No. 44, containing pantaloons..... | do |
| 31 | 1 bale, D No. 11, containing silk and cloth..... | do |
| 31 | 46 barrels of ale, marked [C] 1 a 46..... | do |
| 31 | 1 bale marked D No. 10, containing cloth, and package, "Thos. Myers," containing mantillas. | do |
| 1861. | | |
| Jan. 31 | 1 package, marked Mr. McMahon, containing jewelry..... | do |
| 31 | 1 package, marked M R B No. 28, containing human hair, metals, &c..... | do |
| 31 | Sundry illegal importations released from forfeiture..... | Fine imposed by Secretary of Treasury. |
| Feb. 31 | 1 case, marked R and G A W No. 101, containing perfumery, &c..... | do |
| 28 | 1 case, marked T C E No. 80, containing meerschauu pipes..... | Judicial condemnation.. |
| 28 | 1 package, marked Valler, containing laces, &c..... | do |
| 28 | 1 bale, marked [J R—N Y] No. 112, containing vestings..... | do |
| 28 | 2 cases, marked I A R 107, 108, containing artificial flowers..... | do |
| Mar. 31 | 272 baskets India-rubber, marked T B C—B, released from forfeiture... | Fine imposed by Secretary of Treasury. |
| 31 | 1 case, C R No. 6, containing mathematical and optical instruments..... | Judicial condemnation. |
| 31 | 3 hlds. and 12 cases, containing whiskey, released from forfeiture..... | Fine imposed by Secretary of Treasury. |
| April 30 | 5 cases, E B H 1 a 5, containing gold and silver watches and watch movements. | Judicial condemnation. |
| 30 | Cargo of the schooner Restless, released from forfeiture..... | Fine imposed by Secretary of Treasury. |
| 30 | Sundry illegal importations released from forfeiture..... | do |
| 30 | 1 gold and diamond snuff-box, one diamond brooch, &c..... | Judicial condemnation. |
| 30 | 19 cases cigars, marked Z. B. & Co..... | do |
| May 31 | 1 package, marked Mr. Cromby, containing gold rings..... | do |
| 31 | 2 cases, marked H M 1 and 2, containing watches and clothes..... | do |
| 31 | 4 cases, marked [R T—B] 1339, 1340, 1342, 1343, containing silk laces.... | do |
| 31 | 1 package, marked "Miller," and 1 package, marked "Isaacs," containing watches, &c. | do |

in the district of New York, &c.—Continued.

| Claimants. | Gross proceeds. | Officers of court. | United States. | Informers. | Collector. | Naval officer. | Surveyor. |
|-------------------------|--------------------|--------------------|----------------|------------|-----------------|-----------------|-----------------|
| Jas. W. Queen & Co..... | \$116 00 203 07 | \$97 93 | \$101 53 | | \$6 03 33 85 | \$6 02 33 84 | \$6 02 33 85 |
| J. Hamburger & Co..... | 85 92 | | 42 96 | | 14 32 | 14 32 | 14 32 |
| | 95 00 | | 47 50 | | 15 84 | 15 83 | 15 83 |
| | 550 00 | 71 50 | 239 25 | | 79 75 | 79 75 | 79 75 |
| | 401 30 | 69 74 | 165 78 | | 55 26 | 55 26 | 55 26 |
| | 550 50 | 71 26 | 239 62 | | 79 88 | 79 87 | 79 87 |
| | 1,521 63 | 112 83 | 704 40 | | 234 80 | 234 80 | 234 80 |
| | 155 16 | 77 30 | 28 | | 25 86 | 25 86 | 25 86 |
| | 96,570 69 | 6,423 93 | 44,733 57 | \$695 46 | 14,906 01 | 14,905 86 | 14,905 86 |

trict of New York from December 1, 1860, to December 1, 1861.

| Claimants. | Gross proceeds. | Officers of court. | United States. | Informers. | Collector. | Naval officer. | Surveyor. |
|--------------------------|-----------------|--------------------|----------------|------------|------------|----------------|-----------|
| Jas. Callender & Co..... | \$60 00 | | \$30 00 | | \$10 00 | \$10 00 | \$10 00 |
| H. Maillard..... | 93 00 | | 46 50 | | 15 50 | 15 50 | 15 50 |
| Paul Bossange..... | 690 80 | \$73 36 | 308 72 | | 102 90 | 102 91 | 102 91 |
| | 79 66 | | 39 83 | | 13 28 | 13 27 | 13 28 |
| | 91 25 | | 45 62 | | 15 21 | 15 21 | 15 21 |
| | 1,000 00 | 78 00 | 461 00 | | 153 66 | 153 67 | 153 67 |
| | 3,998 35 | 124 19 | 1,937 08 | | 645 70 | 645 69 | 645 69 |
| | 170 00 | 75 80 | 9 20 | | 28 34 | 28 33 | 28 33 |
| | 112 50 | 102 61 | | | 3 29 | 3 30 | 3 30 |
| | 79 50 | 74 00 | | \$2 75 | 91 | 92 | 92 |
| | 203 72 | 115 12 | | | 29 54 | 29 53 | 29 53 |
| | 165 80 | 75 72 | 7 18 | 41 45 | 13 81 | 13 82 | 13 82 |
| | 300 00 | 66 40 | 116 80 | | 38 94 | 38 93 | 38 93 |
| | 650 00 | 89 20 | 280 40 | | 93 46 | 93 47 | 93 47 |
| | 173 46 | | 86 73 | | 28 91 | 28 91 | 28 91 |
| R. & G. A. Wright.....0 | 93 39 | | 46 69 | | 15 57 | 15 57 | 15 56 |
| | 305 72 | 115 01 | 95 36 | | 31 79 | 31 78 | 31 78 |
| | 165 33 | 106 66 | | | 19 55 | 19 56 | 19 56 |
| | 95 30 | 95 30 | | | | | |
| | 43 26 | 43 26 | | | | | |
| Tappan, McBurney & Co.. | 1,050 00 | | 525 00 | | 175 00 | 175 00 | 175 00 |
| | 130 00 | 64 12 | 88 | | 21 67 | 21 67 | 21 66 |
| | 77 10 | | 38 55 | | 12 85 | 12 85 | 12 85 |
| | 2,000 00 | 170 95 | 914 53 | | 304 84 | 304 84 | 304 84 |
| | 2,751 36 | | 1,375 68 | | 458 56 | 458 56 | 458 56 |
| | 79 22 | | 39 61 | | 13 21 | 13 20 | 13 20 |
| | 2,125 00 | 153 70 | 985 65 | | 328 55 | 328 55 | 328 55 |
| | 1,506 13 | 87 31 | 709 41 | | 236 47 | 236 47 | 236 47 |
| | 236 44 | 109 09 | 9 13 | | 39 41 | 39 40 | 39 41 |
| | 394 32 | 119 85 | 137 24 | | 45 74 | 45 75 | 45 74 |
| | 731 00 | 146 56 | 292 22 | | 97 41 | 97 40 | 97 41 |
| | 235 00 | 109 06 | 8 44 | 58 75 | 19 58 | 19 59 | 19 58 |

Statement of fines, penalties, and forfeitures accrued

| Date. | Description of property. | Whether on judicial condemnation, voluntary payment of appraised value, or fine. |
|----------|--|--|
| 1861. | | |
| May 31 | 10 cases, marked J. H. Ransom & Co., containing India-rubber goods.... | Judicial condemnation. |
| 31 | 1 package, marked Mr. Morland, containing jewelry..... | do. |
| 31 | 2 cases, S W 1 and 2, containing medicinal preparations..... | do. |
| 31 | 3 cases, marked [R and C,] &c., containing paintings, &c..... | do. |
| 31 | A B 270, containing watch glasses..... | do. |
| June 30 | 1 case, marked A C, containing cigars..... | do. |
| 30 | 1 package, marked "A. D. Clout," containing jewelry..... | do. |
| 30 | 1 package, containing jewelry, seized from Mr. Goldsmith..... | do. |
| 30 | 3 cases, marked [V—P] [V—C,] containing brandy..... | do. |
| July 31 | 8 cases, marked [P] 1 a 8, containing Guava jelly..... | do. |
| 31 | 1 case, leather and metal, S T No. 9, and 1 case pocket-books, S T No. 8..... | do. |
| 31 | 1 case, A D No. 1, containing gold and silver watches..... | do. |
| Aug. 31 | 2 gold and diamond finger-rings..... | do. |
| 31 | 1 package, containing watches and jewelry..... | Appraised value. |
| Sept. 30 | A quantity of shawls, handkerchiefs, &c..... | Judicial condemnation. |
| 30 | A quantity of laces..... | Appraised value. |
| 30 | 12 cases toys, M. L. & Co., 41 a 44, 9052, 9053, 8951, 8952, 9221, 9222, 9413, 9414..... | do. |
| 30 | The schooner Genoa, her tackle and cargo..... | Judicial condemnation. |
| 30 | 7 barrels sugar, forfeited for not being upon manifest..... | Forfeiture. |
| 30 | 3 bales, marked "Louis Glauz," containing furs, &c..... | Judicial condemnation. |
| 30 | 12 gold chains, and other articles..... | do. |
| Oct. 31 | 75 cases, B B S, 6 cases, B, and 24 cases, [C,] containing salted skins..... | do. |
| Nov. 30 | 1 package, marked Hana Brookman, containing penknives..... | Appraised value. |
| 30 | 2 cases, C. P. & Co., 22 and 23, containing balloons..... | do. |
| 30 | 1 diamond stomacher, 1 emerald, and 1 pair ear-rings..... | do. |
| 30 | A quantity of ribbons..... | do. |
| 30 | 3 cases, F W C 43, 45, 50, and 6 cases, F W &c., containing calfskins..... | Judicial condemnation. |
| 30 | A lot of jewelry and silverware..... | Appraised value. |
| | Total..... | |

Statement of fines, penalties, and forfeitures accrued in the district

| Date. | Description of property. | Whether on judicial condemnation, voluntary payment of appraised value, or fine. |
|----------|--|--|
| 1861. | | |
| Dec. 31 | A C, 200 cases of prepared vegetables..... | Appraised value..... |
| 31 | F J E 34, 35, 105, 108, 109, five cases optical instruments..... | do. |
| 31 | 1 package watches and jewelry..... | do. |
| 31 | 1 package, containing 4 gold scarf-pins and 2 finger-rings..... | do. |
| 1862. | | |
| Jan. 31 | 234 boxes, marked F, containing sugar..... | Judicial condemnation.. |
| 31 | 252 boxes, marked A, 62 boxes, marked B, 165 boxes, marked C, containing sugar..... | do. |
| 31 | 56 hds sugar, marked A 101 to 150, 175 to 180..... | do. |
| 31 | 1 package, containing 2 gold watches, &c..... | do. |
| 31 | F O 857 to 864, eight cases calfskins..... | Appraised value..... |
| 31 | J W 52, 1 case chains, W B 1109, 1110, 912, 913, 4 cases leather and metal..... | do. |
| 31 | 1,200 cases sweet oil, marked D L..... | Judicial condemnation.. |
| 31 | 2 cases photograph paper and chemicals, marked F B 303, 304..... | do. |
| Feb. 23 | A B 261, 15, 16, &c., 9 cases, containing silk velvets, laces, calfskins, &c..... | Appraised value..... |
| 28 | 13 cases, containing cigars, pipes, and boxes..... | do. |
| 28 | 1 trunk, 1 bundle, and 2 cases, containing cigars, china, sweetmeats, and jelly..... | do. |
| 28 | 1 trunk, containing cigars..... | do. |
| April 30 | 1 package, marked Mr. Campaignar, containing 1 gold watch, chain, and ring..... | do. |
| 30 | 2 packages, containing a quantity of watches..... | do. |
| 30 | 1 package, containing a quantity of jewelry and watches..... | do. |

in the district of New York, &c.—Continued.

| Claimants. | Gross proceeds. | Officers of court. | United States. | Informor. | Collector. | Naval officer. | Surveyor. |
|------------|-----------------|--------------------|----------------|-----------|------------|----------------|-----------|
| ..... | \$98 26 | \$98 26 | ..... | ..... | ..... | ..... | ..... |
| ..... | 65 35 | 65 35 | ..... | ..... | ..... | ..... | ..... |
| ..... | 29 64 | 29 64 | ..... | ..... | ..... | ..... | ..... |
| ..... | 100 32 | 100 32 | ..... | ..... | ..... | ..... | ..... |
| ..... | 79 50 | 79 50 | ..... | ..... | ..... | ..... | ..... |
| ..... | 288 90 | 104 85 | \$92 02 | ..... | \$30 67 | \$30 68 | \$30 68 |
| ..... | 114 50 | 95 51 | ..... | ..... | 6 33 | 6 33 | 6 33 |
| ..... | 466 00 | 74 79 | 195 61 | ..... | 65 20 | 65 20 | 65 20 |
| ..... | 277 80 | 108 40 | 84 70 | ..... | 28 24 | 28 23 | 28 23 |
| ..... | 124 25 | 108 88 | ..... | \$7 68 | 2 56 | 2 56 | 2 57 |
| ..... | 334 55 | 117 39 | 108 58 | ..... | 36 20 | 36 19 | 36 19 |
| ..... | 525 00 | 70 67 | 227 16 | ..... | 75 72 | 75 73 | 75 72 |
| ..... | 370 00 | 71 65 | 149 18 | ..... | 49 73 | 49 72 | 49 72 |
| ..... | 35 00 | ..... | 17 50 | ..... | 5 84 | 5 83 | 5 83 |
| ..... | 4,985 74 | 143 01 | 2,421 37 | 1,210 68 | 403 56 | 403 56 | 403 56 |
| ..... | 50 00 | ..... | 25 00 | ..... | 8 34 | 8 33 | 8 33 |
| ..... | 878 89 | ..... | 439 45 | ..... | 146 48 | 146 48 | 146 48 |
| ..... | 300 00 | 142 20 | 78 90 | ..... | 26 30 | 26 30 | 26 30 |
| ..... | 75 00 | ..... | 37 50 | ..... | 12 50 | 12 50 | 12 50 |
| ..... | 550 00 | 85 00 | 232 50 | ..... | 77 50 | 77 50 | 77 50 |
| ..... | 360 00 | 81 45 | 139 27 | ..... | 46 42 | 46 43 | 46 43 |
| ..... | 24,986 48 | 441 21 | 12,273 63 | ..... | 4,090 88 | 4,090 88 | 4,090 88 |
| ..... | 20 00 | ..... | 10 00 | ..... | 3 34 | 3 33 | 3 33 |
| ..... | 450 00 | ..... | 225 00 | ..... | 75 00 | 75 00 | 75 00 |
| ..... | 500 00 | ..... | 250 00 | ..... | 83 34 | 83 33 | 83 33 |
| ..... | 72 00 | ..... | 36 00 | ..... | 12 00 | 12 00 | 12 00 |
| ..... | 2,100 00 | 96 00 | 1,002 00 | ..... | 334 00 | 334 00 | 334 00 |
| ..... | 99 00 | ..... | 49 50 | ..... | 16 50 | 16 50 | 16 50 |
| ..... | 58,222 79 | 4,309 35 | 26,641 32 | 1,321 31 | 8,650 30 | 8,650 26 | 8,650 25 |

of New York from December 1, 1861, to December 1, 1862.

| Claimants. | Gross proceeds. | Officers of court. | United States. | Informor. | Collector. | Naval officer. | Surveyor. |
|----------------------------|-----------------|--------------------|----------------|-----------|------------|----------------|-----------|
| ..... | \$1,485 00 | ..... | \$742 50 | ..... | \$247 50 | \$247 50 | \$247 50 |
| F. J. Emerick | 2,500 00 | ..... | 1,250 00 | ..... | 416 66 | 416 67 | 416 67 |
| J. San Roman | 320 00 | ..... | 160 00 | ..... | 53 34 | 53 33 | 53 33 |
| ..... | 25 00 | ..... | 12 50 | ..... | 4 16 | 4 17 | 4 17 |
| ..... | 7,252 00 | \$184 58 | 3,533 71 | ..... | 1,177 90 | 1,177 90 | 1,177 91 |
| ..... | 14,606 20 | 296 59 | 7,154 80 | ..... | 2,384 94 | 2,384 94 | 2,384 93 |
| ..... | 4,300 00 | 116 50 | 2,091 75 | ..... | 697 25 | 697 25 | 697 25 |
| ..... | 113 61 | 95 64 | ..... | ..... | 5 99 | 5 99 | 5 99 |
| Dingelstedt & Co. | 5,000 00 | ..... | 2,500 00 | ..... | 833 34 | 833 33 | 833 33 |
| J. Wetzlar & Brothel | 2,015 27 | ..... | 1,007 63 | ..... | 335 88 | 335 88 | 335 88 |
| ..... | 3,269 00 | ..... | 1,634 50 | ..... | 544 84 | 544 83 | 544 83 |
| ..... | 76 50 | 76 50 | ..... | ..... | ..... | ..... | ..... |
| A. Boscher | 7,500 00 | ..... | 3,750 00 | ..... | 1,250 00 | 1,250 00 | 1,250 00 |
| J. Hamburger & Co. | 2,123 15 | ..... | 1,061 57 | ..... | 353 86 | 353 86 | 353 86 |
| M. Cohen | 144 50 | ..... | 72 25 | ..... | 24 09 | 24 08 | 24 08 |
| J. L. Coit | 61 25 | ..... | 30 62 | ..... | 10 21 | 10 21 | 10 21 |
| ..... | 90 00 | ..... | 45 00 | ..... | 15 00 | 15 00 | 15 00 |
| A. W. Freeman | 222 40 | ..... | 111 20 | ..... | 37 07 | 37 06 | 37 07 |
| James Cook | 290 00 | ..... | 145 00 | ..... | 48 33 | 48 34 | 48 33 |

Statement of fines, penalties, and forfeitures accrued

| Date. | Description of property. | Whether on judicial condemnation, voluntary payment of appraised value, or fine. |
|----------|---|--|
| 1862. | | |
| April 30 | 1 package, marked H. Feldman, containing pipes | Appraised value..... |
| 30 | 1 case, C B and S, No. 124, containing calfskins | do..... |
| 30 | 1 case, containing photographs, &c., marked D B—H, No. 336 | Judicial condemnation.. |
| 30 | 7 barrels rum, marked [72] 1 to 7..... | do..... |
| 30 | 3 packages silk and worsted | do..... |
| 30 | 1 case, marked U H B D, No. 1, containing watches | do..... |
| 30 | 7 quarter-casks spirits, marked F O..... | do..... |
| 30 | 1 gold watch and other jewelry | do..... |
| 30 | 1 case photographs, marked [P—L] No. 30 | do..... |
| 30 | 1 case prints, marked E L, No. 517 | do..... |
| 30 | 2-16 of the schooner Mary C. Hopkins, her tackle, &c..... | do..... |
| 30 | Schooner W. H. Raritan, her tackle, &c..... | do..... |
| May 31 | 4-32 of the ship John Cottle, her tackle, &c..... | do..... |
| 31 | 4-32 of the ship Liberty, her tackle, &c..... | do..... |
| 31 | ½ of the ship Claremont, her tackle, &c..... | do..... |
| 31 | Part of the ship Sebastian Cabot, her tackle, &c..... | do..... |
| 31 | ¾ of the brig Mary McRae, her tackle, &c..... | do..... |
| 31 | 1 package, containing silverware, brushes, and silver-gilt jewelry..... | Appraised value..... |
| 31 | 1 package, containing gold watches, chains, and jewelry | do..... |
| 31 | 3 packages, containing plated spoons, &c..... | do..... |
| 31 | 3 packages, containing metal and clay pipes, &c..... | do..... |
| June 30 | 1 cask prune brandy, G K 159 | do..... |
| 30 | 6 cases F G 432, 433, 435, 436, 440, 442, containing metal, &c..... | do..... |
| 30 | 2 cases human hair, V H 48 and 51..... | Judicial condemnation.. |
| 30 | 18 cases and 118 packages marked W R, containing books, newspapers, and periodicals..... | do..... |
| 30 | A quantity of books, newspapers, &c..... | do..... |
| 30 | 25 packages, marked Wilmer & Rogers, containing books, newspapers, &c..... | do..... |
| 30 | 2 packages, watches and jewelry | do..... |
| 30 | 1 trunk, containing 10,000 cigars | do..... |
| 30 | 1 package photographic lenses, marked Fred. Lichtenfels | do..... |
| July 31 | 7 packages, marked J B H 450 a 456, containing hair, artificial flowers, &c..... | Appraised value..... |
| 31 | 1 package embroidery, released from forfeiture | Fine imposed by Secretary of Treasury. |
| 31 | C S 1 & 2, two casks, containing prune brandy | Appraised value..... |
| 31 | 4-16 of the schooner Sunny South, her tackle, &c..... | Judicial condemnation.. |
| 31 | 2-16 of the brig General Bailey, her tackle, &c..... | do..... |
| 31 | S T 16 a 35, 20 casks gin, released from forfeiture | Fine imposed by Secretary of Treasury. |
| 31 | I S P 42 43, two casks of plum brandy..... | Appraised value..... |
| 31 | 1 package, jewelry..... | do..... |
| 31 | 1 case fancy goods, B A K No. 2, released from forfeiture | Fine imposed by Secretary of Treasury. |
| 31 | W H 89 9 ^a , two casks kirchenwasser, released from forfeiture | do..... |
| Aug. 31 | 1 case, marked C. Glutz & Co., containing watches | Judicial condemnation.. |
| 31 | 1 case, marked H & F—J H No. 153, containing fancy goods, released from forfeiture. | Fine imposed by Secretary of Treasury. |
| 31 | 2 casks whiskey, marked McMurchy, Balston & Co..... | Judicial condemnation.. |
| 31 | 1 trunk, marked S M, containing pearls, laces, &c..... | do..... |
| 31 | 1 gold hunter watch | do..... |
| 31 | 1 package watches | do..... |
| 31 | 1 package, marked "L. Sievi" | do..... |
| 31 | 1 package, containing watches and jewelry..... | Appraised value..... |
| 31 | do.....do..... | do..... |
| 31 | 1 package, containing 5 silver watches | do..... |
| Sept. 30 | 200 cases olive oil, A T; 16 packages wine, A T; and other merchandise. | Judicial condemnation.. |
| 30 | 1 package, containing silk and jewelry | Appraised value..... |
| 30 | 1 trunk, 1 bag, and 1 parcel, containing watches..... | do..... |
| 30 | 1 case, containing cloth, &c..... | do..... |
| 30 | 1 bag and 1 case, containing diamonds, jewelry, &c..... | do..... |
| 30 | 2 trunks and 3 packages, containing ribbons, embroideries, &c..... | do..... |
| 30 | 1 case watches, marked C G 275, released from forfeiture | Fine imposed by Secretary of Treasury. |
| 30 | 1 case fancy goods, H B 3959 | do..... |
| 30 | 1 package gold jewelry | Appraised value..... |
| 30 | 1 package, containing diamond, jewelry, &c..... | do..... |
| 30 | Sundry illegal importations released from forfeiture | Fine imposed by Secretary of Treasury. |
| Oct. 31 | 1 trunk, containing cigars, watches, jewelry, &c..... | Appraised value..... |
| 31 | 1 trunk, containing silks, laces, watches, &c..... | do..... |
| 31 | Jewelry | do..... |
| 31 | 4 cases, marked [A C R] No. 134; 1 trunk, marked John Russell, &c., containing shawls, laces, gloves, &c..... | do..... |
| 31 | 1 package, containing sewing silk, &c..... | do..... |

in the district of New York, &c.—Continued.

| Claimants. | Gross proceeds. | Officers of court. | United States. | Informers. | Collector. | Naval officer. | Surveyor. |
|------------------------|-----------------|--------------------|----------------|------------|------------|----------------|-----------|
| C. Benkert & Son..... | \$15 00 | | \$7 50 | | \$2 50 | \$2 50 | \$2 50 |
| | 762 29 | | 381 14 | | 127 05 | 127 05 | 127 05 |
| | 191 00 | \$81 61 | 13 89 | | 31 84 | 31 83 | 31 83 |
| | 194 25 | 103 98 | | | 30 09 | 30 09 | 30 09 |
| | 100 07 | 93 96 | | | 2 63 | 2 04 | 2 04 |
| | 542 25 | 126 70 | 207 77 | | 69 26 | 69 26 | 69 26 |
| | 77 42 | 77 42 | | | | | |
| | 77 15 | 77 15 | | | | | |
| | 95 56 | 95 56 | | | | | |
| | 73 70 | 73 70 | | | | | |
| | 85 00 | 85 00 | | | | | |
| | 150 00 | 150 00 | | | | | |
| | 575 00 | 203 58 | 185 71 | | 61 90 | 61 91 | 61 90 |
| | 400 00 | 237 70 | 81 15 | | 27 05 | 27 05 | 27 05 |
| | 250 00 | 237 02 | 6 49 | | 2 16 | 2 16 | 2 17 |
| | 250 00 | 184 95 | 32 53 | | 10 84 | 10 84 | 10 84 |
| | 1,125 00 | 903 07 | 110 96 | | 36 99 | 35 99 | 35 99 |
| Mr. Stadner..... | 40 00 | | 20 00 | | 6 66 | 6 67 | 6 67 |
| Charles Spanseil..... | 65 00 | | 32 50 | | 10 84 | 10 83 | 10 83 |
| M. Chappelier..... | 200 00 | | 100 00 | | 33 34 | 33 33 | 33 33 |
| Louis Brett..... | 140 00 | | 70 00 | | 23 33 | 23 33 | 23 34 |
| G. & J. Klander..... | 104 00 | | 52 00 | | 17 33 | 17 33 | 17 34 |
| F. Gombault..... | 1,350 00 | | 675 00 | | 225 00 | 225 00 | 225 00 |
| | 2,500 00 | 102 60 | 1,198 70 | | 399 57 | 399 57 | 399 56 |
| | 2,803 44 | 129 74 | 1,341 35 | | 447 11 | 447 12 | 447 12 |
| | 1,432 06 | 100 78 | 665 64 | | 221 88 | 221 88 | 221 88 |
| | 764 50 | 71 14 | 346 68 | | 115 56 | 115 56 | 115 56 |
| A. Benkart & Bros..... | 561 00 | 118 39 | 221 30 | | 73 77 | 73 77 | 73 77 |
| | 125 00 | 95 34 | | | 9 88 | 9 89 | 9 89 |
| | 34 50 | 34 50 | | | | | |
| J. B. Holderman..... | 4,572 00 | | 2,236 00 | | 762 00 | 762 00 | 762 00 |
| | 46 30 | | 23 15 | | 7 71 | 7 72 | 7 72 |
| | 102 00 | | 51 00 | | 17 00 | 17 00 | 17 00 |
| | 300 00 | 155 40 | 72 30 | | 24 10 | 24 10 | 24 10 |
| | 500 00 | 190 75 | 154 63 | | 51 54 | 51 54 | 51 54 |
| | 491 84 | | 245 92 | | 81 98 | 81 97 | 81 97 |
| Jos. Sperry..... | 70 00 | | 35 00 | | 11 66 | 11 67 | 11 67 |
| John Castro..... | 69 00 | | 34 50 | | 11 50 | 11 50 | 11 50 |
| F. Tones & Co..... | 87 00 | | 43 50 | | 14 50 | 14 50 | 14 50 |
| Alberts & Co..... | 36 00 | | 18 00 | | 6 00 | 6 00 | 6 00 |
| | 1,070 00 | 151 44 | 459 28 | | 153 10 | 153 09 | 153 09 |
| | 95 40 | | 47 70 | | 15 90 | 15 90 | 15 90 |
| | 188 76 | 100 13 | | | 29 55 | 29 54 | 29 54 |
| | 312 40 | 106 35 | 103 03 | | 34 34 | 34 34 | 34 34 |
| M. Dubois..... | 100 00 | 92 85 | | | 2 39 | 2 38 | 2 38 |
| J. Bumch..... | 305 50 | 105 92 | 99 79 | | 33 26 | 33 26 | 33 27 |
| L. Sievi..... | 193 50 | 98 66 | | | 31 61 | 31 62 | 31 61 |
| B. Siegel..... | 145 00 | | 72 50 | | 24 16 | 24 17 | 24 17 |
| Louis Schlesinger..... | 113 00 | | 56 50 | | 18 84 | 18 83 | 18 83 |
| Mr. Wurzer..... | 40 00 | | 20 00 | | 6 66 | 6 67 | 6 67 |
| | 2,118 00 | 96 67 | 1,010 66 | | 336 89 | 336 89 | 336 89 |
| | 75 00 | | 37 50 | | 12 50 | 12 50 | 12 50 |
| Jacob Seligman..... | 325 00 | | 162 50 | | 54 16 | 54 17 | 54 17 |
| G. Kaepfel..... | 25 00 | | 12 50 | | 4 17 | 4 17 | 4 16 |
| Chs. Baeder..... | 475 00 | | 237 50 | | 79 16 | 79 17 | 79 17 |
| S. Choem..... | 275 00 | | 137 50 | | 45 84 | 45 83 | 45 83 |
| C. Glatz..... | 317 25 | | 158 62 | | 52 87 | 52 88 | 52 88 |
| Hacht & Co..... | 251 55 | | 125 78 | | 41 93 | 41 92 | 41 92 |
| F. Kreibmayer..... | 1,187 91 | | 593 95 | | 197 98 | 197 99 | 197 99 |
| H. Siering..... | 600 00 | | 300 00 | | 100 00 | 100 00 | 100 00 |
| | 851 45 | | 425 72 | | 141 91 | 141 91 | 141 91 |
| Carlos Torch..... | 1,200 00 | | 600 00 | | 200 00 | 200 00 | 200 00 |
| Madame Mallet..... | 350 00 | | 175 00 | | 58 34 | 58 33 | 58 33 |
| Hy. Karston..... | 203 00 | | 101 50 | | 33 84 | 33 83 | 33 83 |
| | 3,500 00 | | 1,750 00 | | 583 34 | 583 33 | 583 33 |
| Mr. Opperheim..... | 53 00 | | 26 50 | | 8 83 | 8 83 | 8 84 |

Statement of fines, penalties, and forfeitures accrued

| Date. | Description of property. | Whether on judicial condemnation, voluntary payment of appraised value, or fine. |
|---------|--|--|
| 1862. | | |
| Oct. 31 | 21 cases merchandise, L P—D F, &c., containing clocks, cloths, &c.... | Judicial condemnation.. |
| 31 | 1 case merchandise, A M No. 501..... | Appraised value..... |
| 31 | A N No. 3, one cask prune brandy..... |do..... |
| 31 | R A 24, 25, 31, 32, four cases, containing artificial flowers, laces, &c.... |do..... |
| 31 | 20 cases merchandise, [N D.] Madame Dieden, claimant..... | Judicial condemnation.. |
| 31 | 1 case, D F 1320, containing laces ... | Appraised value..... |
| 31 | 1-16 of the bark Bounding Billow, her tackle, &c..... | Judicial condemnation.. |
| Nov. 30 | Schr. Wm. E. Alexander, released from forfeiture..... | Fine imposed by Secretary of Treasury. |
| 30 | 4 casks prune brandy, M 1 a 4 | Judicial condemnation.. |
| 30 | 77 boxes cigars and 1 package, containing 23 packages and 91 pieces silk ribbon. |do |
| 30 | 3 boxes cigars, S del Pozo, 1 a 3 |do |
| 30 | 1 package jewelry |do |
| 30 | 1 case essential oils, O F 10..... |do |
| 30 | 2-16 of the schooner Mobile, her tackle, &c. |do |
| 30 | 2 cases, R A 23, 24, containing embroideries, laces, and flowers..... | Appraised value..... |
| 30 | 3 cases gloves, [S & L] 741 a 743, and 60 other cases, variously marked. | Judicial condemnation.. |
| 30 | 8 cases cotton goods, and 52 cases other goods. |do |
| 30 | 1 Virginia 6 per cent. bond, and 2 packages gold lace. |do |
| 30 | 1-16 of the schooner Virginia, her tackle, &c..... |do |
| | Total..... | |

RECAPIT

| | |
|---|--|
| December 1, 1858, to December 1, 1859 | |
| December 1, 1859, to December 1, 1860 | |
| December 1, 1860, to December 1, 1861 | |
| December 1, 1861, to December 1, 1862 | |
| Total..... | |

in the district of New York, &c.—Continued.

| Claimants. | Gross proceeds. | Officers of court. | United States. | Informers. | Collector. | Naval officer. | Surveyor. |
|-----------------------|-----------------|--------------------|----------------|------------|------------|----------------|------------|
| ..... | \$10,000 00 | \$215 50 | \$4,892 25 | ..... | \$1,630 75 | \$1,630 75 | \$1,630 75 |
| Madame A. Mallet..... | 500 00 | ..... | 250 00 | ..... | 83 34 | 83 33 | 83 33 |
| Jas. Sheppard..... | 80 50 | ..... | 40 25 | ..... | 13 41 | 13 42 | 13 42 |
| Geo. Adams..... | 650 00 | ..... | 325 00 | ..... | 108 34 | 108 33 | 108 33 |
| Madame Dieden..... | 7,000 00 | 170 50 | 3,414 75 | ..... | 1,138 25 | 1,138 25 | 1,133 25 |
| D. Freres..... | 2,000 00 | ..... | 1,000 00 | ..... | 333 34 | 333 33 | 333 33 |
| ..... | 150 00 | 150 00 | ..... | ..... | ..... | ..... | ..... |
| ..... | 825 60 | ..... | 825 60 | ..... | ..... | ..... | ..... |
| ..... | 132 92 | 111 03 | ..... | ..... | 7 29 | 7 30 | 7 30 |
| ..... | 379 37 | 114 22 | 132 57 | \$66 29 | 29 09 | 22 10 | 22 10 |
| ..... | 517 70 | 124 92 | 196 39 | ..... | 65 47 | 65 46 | 65 46 |
| ..... | 437 25 | 114 16 | 161 54 | ..... | 53 85 | 53 85 | 53 85 |
| ..... | 350 00 | 69 90 | 140 05 | ..... | 46 69 | 46 68 | 46 68 |
| ..... | 1,125 00 | 227 34 | 448 83 | ..... | 149 61 | 149 61 | 149 61 |
| Geo. Adams..... | 2,000 00 | ..... | 1,000 00 | ..... | 333 34 | 333 33 | 333 33 |
| ..... | 11,973 00 | 215 09 | 5,863 96 | ..... | 1,954 65 | 1,954 65 | 1,954 65 |
| ..... | 9,013 00 | 200 69 | 4,406 15 | ..... | 1,468 72 | 1,468 72 | 1,468 72 |
| ..... | 23 00 | 23 00 | ..... | ..... | ..... | ..... | ..... |
| ..... | 140 00 | 140 00 | ..... | ..... | ..... | ..... | ..... |
| ..... | 134,419 27 | 7,149 22 | 63,838 71 | 66 29 | 21,125 04 | 21,125 00 | 21,125 01 |

ULATION.

| | | | | | | | |
|-------|------------|-----------|------------|----------|-----------|-----------|-----------|
| ..... | 139,779 37 | 6,180 32 | 67,491 25 | 98 64 | 22,003 07 | 22,003 03 | 22,003 06 |
| ..... | 96,570 69 | 6,423 93 | 44,733 57 | 695 46 | 14,906 01 | 14,905 86 | 14,905 86 |
| ..... | 58,222 79 | 4,309 35 | 26,641 32 | 1,321 31 | 8,650 30 | 8,650 26 | 8,650 25 |
| ..... | 134,419 27 | 7,149 22 | 63,838 71 | 66 29 | 21,125 04 | 21,125 00 | 21,125 01 |
| ..... | 428,992 12 | 24,063 82 | 202,694 85 | 2,181 70 | 66,684 42 | 66,684 15 | 66,684 18 |

Question. Does either the collector, naval officer, or surveyor get any pay or emolument by virtue of their offices, except it comes through your hands as auditor?

Answer. I do not pay either the naval officer or surveyor. The cashier collects the fees and pays them their proportion of the fees, out of which they retain their salaries and account to the government for the surplus.

Question. Then no fees come into your hands?

Answer. None. The fees are collected by the cashier, but they are subject to my draft, and I draw against the collector's share. The remainder is applied to office expenses—the payment of the salaries of officers and clerks; and then if there is any surplus it is paid into the United States Treasury.

Question. Then you know what is paid to each of these officers?

Answer. I have the cashier's book where he credits the whole amount of fees received.

Question. What has been the aggregate of the fees (not forfeitures or penalties) which have accrued to the custom-house from all sources during each of the four years preceding the first of December, 1862?

Answer. I will prepare and furnish a statement showing the amount.

The statement subsequently furnished is as follows :

Aggregate of fees and commissions accrued to the custom-house at New York during the four years preceding December 1, 1862.

TESTIMONY.

33

| Months. | 1859-60. | | | 1860-61. | | | 1861-62. | | |
|-----------------|--------------|----------------|------------|--------------|----------------|------------|--------------|----------------|------------|
| | Collector. | Naval officer. | Surveyor. | Collector. | Naval officer. | Surveyor. | Collector. | Naval officer. | Surveyor. |
| December | \$7,865 09 | \$4,173 82 | \$1,069 68 | \$10,773 32 | \$5,643 42 | \$1,195 82 | \$8,347 15 | \$4,128 80 | \$1,456 91 |
| January | 10,815 39 | 4,769 70 | 838 94 | 12,590 82 | 5,960 78 | 947 60 | 10,031 13 | 4,179 58 | 1,356 02 |
| February | 10,880 94 | 3,113 97 | 851 41 | 11,491 08 | 2,683 30 | 840 70 | 13,271 33 | 4,036 95 | 1,063 55 |
| March | 11,069 39 | 6,650 98 | 1,485 05 | 13,741 70 | 7,632 83 | 1,557 72 | 13,278 95 | 5,261 85 | 1,479 63 |
| April | 12,143 54 | 6,537 13 | 1,508 22 | 10,051 75 | 5,004 30 | 1,556 54 | 13,194 48 | 4,852 13 | 1,460 13 |
| May | 12,153 43 | 6,910 17 | 1,845 23 | 10,670 24 | 6,283 10 | 1,700 53 | 13,340 31 | 5,199 23 | 1,756 83 |
| June | 12,214 74 | 6,214 43 | 1,766 43 | 10,634 06 | 5,221 88 | 1,672 30 | 12,997 08 | 4,808 52 | 1,523 38 |
| July | 13,043 06 | 6,333 73 | 1,293 66 | 14,672 36 | 6,830 33 | 1,518 06 | 18,578 45 | 6,256 22 | 1,767 68 |
| August | 14,066 16 | 6,747 15 | 1,361 79 | 13,581 57 | 5,853 98 | 1,369 73 | 13,723 95 | 5,398 63 | 1,572 94 |
| September | 10,872 04 | 5,655 92 | 1,334 79 | 11,357 01 | 5,853 98 | 1,254 72 | 15,072 37 | 5,879 35 | 1,821 96 |
| October | 9,113 07 | 5,020 55 | 924 25 | 10,901 62 | 6,234 98 | 1,375 04 | 19,888 64 | 5,387 72 | 1,768 91 |
| November | 9,446 17 | 5,472 16 | 1,218 38 | 8,747 90 | 5,489 22 | 1,248 63 | 9,756 62 | 4,407 63 | 1,389 02 |
| | 136,323 02 | 69,367 71 | 15,397 83 | 141,214 33 | 74,756 57 | 16,417 68 | 150,460 46 | 59,796 61 | 18,416 96 |
| | \$321,088 56 | | | \$323,388 58 | | | \$238,674 03 | | |

Question. Does the collector receive any salary or emolument by virtue of his office which does not come through your hands?

Answer. He receives a commission on certain fees collected by the cashier for the State officers.

Question. Does he receive anything from any other source except that?

Answer. Not that I am aware of.

Question. Then, with that exception, everything he receives from the government by virtue of his office comes through your hands?

Answer. Yes, sir.

Question. Have there been any fines, penalties, and forfeitures received under the acts of July 13, 1861, and May 20, 1862?

Answer. There have been some.

Question. Will you furnish a statement of the same?

Answer. I will.

The statement was subsequently furnished as follows :

Statement of the sales and the disposition of proceeds thereof of vessels condemned and sold under the act of July 13, 1861.

TESTIMONY.

35

| Date. | Name of vessels. | Sales. | Marshal. | District attorney. | Clerks. | United States. | Collector. | Naval officer. | Surveyor. |
|-------------|--------------------------------|-----------|-----------|--------------------|---------|----------------|------------|----------------|-----------|
| Sept., 1861 | Schooner Genoa | \$300 00 | \$78 80 | \$20 00 | \$43 40 | \$78 90 | \$26 30 | \$26 30 | \$26 30 |
| April, 1862 | Schooner Mary C. Hopkins | 85 00 | 45 00 | 20 00 | 20 00 | ----- | ----- | ----- | ----- |
| April, 1862 | Schooner W. H. Raritan | 150 00 | 110 00 | 20 00 | 20 00 | ----- | ----- | ----- | ----- |
| May, 1862 | Ship John Cobble | 575 00 | 133 83 | 20 00 | 49 75 | 185 71 | 61 90 | 61 91 | 61 90 |
| May, 1862 | Ship Liberty | 400 00 | 167 90 | 20 00 | 49 80 | 81 15 | 27 05 | 27 05 | 27 05 |
| May, 1862 | Schooner Claremont | 250 00 | 165 27 | 20 00 | 51 75 | 6 49 | 2 16 | 2 16 | 2 17 |
| May, 1862 | Ship Sebastian Cabot | 250 00 | 116 65 | 20 00 | 48 30 | 32 53 | 10 84 | 10 84 | 10 84 |
| May, 1862 | Brig Mary McLae | 1, 125 00 | 804 97 | 20 00 | 78 10 | 110 96 | 36 99 | 36 99 | 36 99 |
| July, 1862 | Schooner Sunny South | 300 00 | 86 00 | 20 00 | 49 40 | 72 30 | 24 10 | 24 10 | 24 10 |
| July, 1862 | Brig General Bailey | 500 00 | 48 10 | 89 90 | 52 75 | 154 63 | 51 54 | 51 54 | 51 54 |
| Oct., 1862 | Bark Bounding Billow | 150 00 | 82 67 | 20 00 | 47 33 | ----- | ----- | ----- | ----- |
| Nov., 1862 | Schooner Mobile | 1, 125 00 | 149 69 | 20 00 | 57 65 | 448 83 | 149 61 | 149 61 | 149 61 |
| Nov., 1862 | Schooner Virginia | 140 00 | 132 00 | Waived. | 8 00 | ----- | ----- | ----- | ----- |
| | Total | 5, 350 00 | 2, 120 88 | 309 90 | 576 23 | 1, 171 50 | 390 49 | 390 50 | 390 50 |

Question. Do you know, or have you reason to believe, that any persons in the employ of the government in the custom-house have received money over and beyond that which is their legal compensation?

Answer. I have reason to believe it has been done on several occasions. I know of one case where a clerk was removed in consequence of doing so.

Question. In what department of the custom-house was he?

Answer. In the record office.

Question. What extra amount did he receive?

Answer. I do not know.

Question. Have you reason to believe there are other such cases?

Answer. I have heard of but I do not know positively as to any other cases.

Question. Can you furnish from your office a statement of the imports (in value) into this port during the four years preceding the first of December, 1862?

Answer. I can.

The following is the statement subsequently furnished by the witness :

Imports at the port of New York during the four years preceding December 1, 1862.

| Month. | 1853-'59. | 1859-'60. | 1860-'61. | 1861-'62. |
|-----------------|--------------|--------------|--------------|-------------|
| December | \$13,344,625 | \$18,908,398 | \$21,253,033 | \$9,616,921 |
| January | 19,447,962 | 21,755,273 | 26,827,411 | 12,620,829 |
| February | 18,848,370 | 19,356,379 | 16,341,707 | 13,872,140 |
| March | 20,820,456 | 23,580,126 | 18,204,381 | 18,719,866 |
| April | 22,425,619 | 16,971,358 | 14,886,393 | 13,252,882 |
| May | 23,552,646 | 16,893,151 | 14,949,281 | 14,248,521 |
| June | 24,069,821 | 19,160,789 | 12,649,733 | 12,336,195 |
| July | 27,286,120 | 24,881,649 | 14,938,851 | 20,353,202 |
| August | 24,649,591 | 25,938,854 | 8,885,928 | 14,304,843 |
| September | 16,643,585 | 16,260,450 | 7,305,461 | 18,147,917 |
| October | 13,617,946 | 16,787,242 | 8,523,741 | 13,413,906 |
| November | 14,895,002 | 15,421,156 | 9,639,012 | 10,309,398 |
| Total..... | 239,601,743 | 235,915,825 | 174,404,932 | 171,196,620 |

NEW YORK, *December 18, 1862.*

WILLIAM D. ROBINSON sworn :

Question. State your official position.

Answer. I am known as the cashier of the custom-house. I am at the head of the cashier's department. My duties are to receive the duties upon imports, withdrawals, fees, &c.

Question. In general terms, what is the character of the fees which are received?

Answer. Fees for entering and clearing vessels, and for documents needed by the merchants.

Question. State, in general terms, the manner in which the fees received by your office are disposed of?

Answer. They are divided between the collector, naval officer, and surveyor.

Question. In what manner?

Answer. It would be difficult to explain it to you without showing you an account and monthly return. Some are divided between the collector and naval officer only; some between the three officers, &c.

Question. The amount to be retained by each of these officers is limited by law?

Answer. The fees are intended to go as far as they will to pay the salaries of employés.

Question. Suppose they exceed in amount the salaries?

Answer. I presume the surplus is paid into the United States treasury. Since I have been in office they never have exceeded the amount of the salaries in the collector's department; but in the naval officer's department I think they have. I do not know as to the surveyor's office.

Question. You pay these fees over monthly?

Answer. Yes, sir.

Question. You pay to each one of these officers his amount?

Answer. I pay the naval officer and surveyor their proportion, and the auditor draws for the collector.

Question. But all the fees are applied in one of these ways?

Answer. Yes, sir.

Question. The collector, by virtue of his office, receives a salary of \$6,000, one sixth part of the fines and forfeitures, and certain commissions, not exceeding in the aggregate \$400. Now, do you know of any other sums received by the collector by way of compensation, and of any growing out of commissions on fees coming to officers of the State of New York? State how, and to what extent.

Answer. In regard to commissions on State fees, I will say that there are three kinds of State fees collected in my department by the authority of the collector; the harbor-master's fees, the health officer's fees, and the Seaman's Retreat hospital fees. Those I collect every day as the vessels enter.

Question. They are charges against every vessel, and they are collected by you?

Answer. Yes, sir; as agent of the collector.

Question. What commission does the collector of this port receive for the collection of those fees for the State officers?

Answer. Five per cent. from the harbor-master, three per cent. from the health officers, and two and a half from the seaman's hospital.

Question. What would be the average value of those commissions?

Answer. I should think about three hundred dollars a month.

Question. As treasurer of the custom-house, and as the head of that department, you collect for the government of the United States certain fees from each vessel?

Answer. Yes, sir.

Question. And at the same time you collect these other fees going to the officers of the State of New York?

Answer. Yes, sir.

Question. And the collector, as compensation for himself, receives a commission upon those collections?

Answer. Yes, sir.

Question. Do you yourself receive any compensation beyond your regular salary?

Answer. None.

Question. How is your salary paid?

Answer. Monthly, by the auditor.

Question. How much is it?

Answer. \$250 a month.

Question. You receive no additional compensation?

Answer. None whatever.

Question. Has the collecting of these fees for the benefit of New York State been practiced for a good many years?

Answer. As long as I can remember.

Question. And commissions paid the same as now?

Answer. Yes, sir. My impression is that the cashier and assistant cashier formerly received these commissions. I was appointed by Mr. Curtis, and I was told then that Curtis was the first collector that ever collected these fees.

Question. Since that time the collector has uniformly received those fees?

Answer. Yes, sir.

Question. Amounting to about \$3,600 a year?

Answer. Yes, sir.

Question. Do you know whether the money so received is in any way accounted for by the collector to the government, or are they simply regarded as a compensation from the officers of the State of New York for the services performed?

Answer. It is simply a compensation from those particular officers, and the general government has no connexion with the matter.

Question. And therefore he makes no report of the money so received?

Answer. None whatever.

Question. Do you know any other officers of the government in any way connected with the custom-house who receive, either in fees or otherwise, a compensation beyond that which is provided by law?

Answer. I do not. I might say that there is a clerk in my office who gets a trifle, say \$250 a year, for making out a list of vessels for those interested in the hospital fees.

Question. Do you know, or have you reason to believe, that any men in the employ of the government in the custom-house have taken or received more money than their legitimate salary?

Answer. I never heard of any case of that kind.

Question. Have you not understood that many persons inside of the custom-house were taking more money than they were entitled to?

Answer. No, sir; except that I have heard that some clerks who take work home, and worked all night, receive compensation from the merchants interested.

NEW YORK, *December 19, 1862.*

HORATIO F. AVERILL sworn :

Question. Where do you reside?

Answer. In New York.

Question. What is your business?

Answer. I am a lawyer.

Question. Have you ever had any business pertaining to the custom-house?

Answer. Yes, sir.

Question. What has been the character of that business?

Answer. To settle or arrange in regard to the seizure of some goods by the custom-house officers.

Question. What cases have you arranged?

Answer. One in which C. Paturel & Co. were interested.

Question. What were the circumstances of that seizure?

Answer. Paturel came to me and said the custom-house officers had taken possession of his store, and seized his papers and taken them to the custom-house, and that they had threatened to arrest him.

Question. For what had they made the seizure?

Answer. For false invoices, as they alleged.

Question. State what you did in the matter?

Answer. I went to see Mr. Andrews, the surveyor, with whom I was personally acquainted, and he sent me to Mr. Dennison, the naval officer, and Mr. Dennison sent me to Mr. Isaacs.

Question. Who is Mr. Isaacs?

Answer. He is a sort of detective.

Question. Is he connected with the custom-house?

Answer. Yes, sir.

Question. What did you do?

Answer. I saw Isaacs and talked about the matter, and he said that Paturel should pay about \$5,000; that he had ascertained that he had a large amount of money in the bank. I went to see Dennison, and he thought Paturel should pay about \$2,000.

Question. For what purpose was this to be paid?

Answer. It was to be paid in settlement of the matter, so that he could get his goods and resume possession of the store.

Question. Was it paid?

Answer. Not that amount.

Question. What amount was paid, and to whom?

Answer. Four hundred and fifty dollars was paid.

Question. State the particulars in regard to your negotiation about payment?

Answer. I saw Mr. Isaacs, who is a Jew. His figures were very large. He pretended to be a great friend of Paturel, yet I saw he was not. He advised me to employ Mr. Dunning as counsel. I saw Dunning, and he came up to the custom-house, but we saw nobody there when we came up. I went back to Mr. Andrews, and I told him that Mr. Isaacs and myself did not belong to the "same church," and hence I did not like to negotiate with him; that I did not think he was the right sort of a man. He said he would see if he could

arrange it. I came to the conclusion that if I employed Dunning it would be more expensive. I also heard from outside parties that Isaacs was in the habit of recommending certain lawyers to be employed. I then called upon Dunning, and told him I did not wish him to act further in the matter, unless it terminated in a suit, in which case I might employ him as counsel. I sent him \$10 for his services. I finally arranged with Dennison that the amount should be \$450. Paturel did not have the ready means, and I paid, I think, \$250. I think I gave Franklin a check for \$250 the first day. The matter run on a day or two, and Paturel sent me \$100. Finally, within two or three days the whole \$450 was paid, and when the last payment was made, Franklin went round and got it turned into gold, and I went down stairs in the custom-house and paid it to a man there.

Question. Under whose direction did you go to a certain man down stairs?

Answer. By the direction of Mr. Franklin. I went down stairs, and the young man appeared to understand it. I got a permit for the goods.

Question. Did you take any receipt?

Answer. I did not.

Question. Did anybody take a receipt?

Answer. Franklin took a stipulation.

Question. What was it?

Answer. Not to sue anybody for damages.

Question. Were those goods ever appraised?

Answer. I do not know. I considered the amount paid as the appraisalment.

Question. By whom was it considered an appraisalment?

Answer. In the first place, it was stated that it would be necessary to have the goods condemned and appraised at a certain amount, and that I should consent to an appraisalment at such an amount as I should agree to pay, and that was to be considered as a nominal appraisalment.

Question. What was the reason of your giving such a stipulation?

Answer. I do not know. They asked for it, and I thought perhaps it was natural that they should, because when any man's property is seized he has a right, of course, to turn round and sue the parties for a trespass. I thought it proper in them, so far as they were concerned, to require something of that kind from parties. It would, of course, exempt them from being liable to suits for damages.

Question. Was this in the nature of a consent, or was it a settlement to prevent the matter going into court?

Answer. No, sir; but they said at that time it would be necessary, if I consented to have it go into court. I was not familiar with the course of proceeding. I expected, in the first instance, that it would go into court; and when they expressed a willingness that it should not, I was willing to consent, and so was Paturel. I signed the consent, "Paturel, by attorney."

Question. Was there any examination of the invoice after the seizure to ascertain the fact whether there was an actual false invoice?

Answer. I do not know personally whether there was or not. It was one of those things which, I learned to my satisfaction, were done every day, that is, that they compromised with parties for such an amount. In the first place, they showed to me some papers which satisfied me, without minute examination, that there had been some mistake. Paturel explained to me that he had had a partner who was no longer with him, and who was in the habit of entering goods at the custom-house. He knew nothing about the matter, and when his partner left he followed along in the track of his partner.

Question. Do you mean to say that this sum of \$450 was the difference between the invoice and what you consented to call the actual appraisement of the goods?

Answer. The difference in that particular transaction was not so much as \$450. The difference between what they claimed he should have paid, and what he did pay, was not so much as \$450.

Question. Then why did you consent to pay more?

Answer. They have the right not only to condemn the goods—the goods amounted to several hundred dollars more than \$450—but they have the right, if they succeed, to triple damages; and besides that, they have the right to arrest the party. Paturel's family was sick, and his desire was that I should settle at some figure or other rather than have the expense of litigation, and perhaps the chance of getting beat in the end. He necessarily would have to send to Paris for evidence, and it would cost him at least \$450 even if he were not guilty.

Question. Were the goods themselves worth more than \$450.

Answer. Yes, sir.

Question. And the difference between what he actually paid and what the law required him to pay was not \$450?

Answer. No, sir.

Question. What he paid over and above the lawful duties he paid to make his peace?

Answer. They claimed that there were other transactions which were included in the arrangement, and which had no reference to these goods.

Question. Did they give you to understand that if this matter was settled upon those terms, the other transactions would be passed over?

Answer. Yes, sir.

Question. He made a general peace with the custom-house?

Answer. Yes, sir; that was the understanding.

Question. What those other matters were you do not know?

Answer. I do not. It was alleged by Isaacs, who pretended to be a great friend of Paturel, that great frauds had been committed by the firm, but I thought it was only an argument of his.

Question. Did you consider the settlement an onerous one for your client?

Answer. I knew he was a man of not much means, and probably was worth not to exceed from two to five thousand dollars, and that he was not a man who could afford to pay \$450. The reason why I came to that conclusion was that I saw his bank book; saw what his deposits were. I concluded that would show what his means were.

Question. You were satisfied yourself that there had been a mistake, whether intentional or otherwise?

Answer. I thought so ; and my client thought the trouble was the result of a conspiracy of another man engaged in the same business with himself.

Question. Have you any knowledge of any other similar cases?

Answer. I had another case which was somewhat similar.

Question. State the circumstances of that case, with the names of the parties.

Answer. A Mr. Sabatine was the other party. He was an Italian, and an artificial flower manufacturer. He does not speak a word of English, and he said that while on board the vessel he had some tools and some materials in the top of his trunk. During the passage over he put them in his berth, and when he arrived here he sent for his custom-house broker. The broker did not come down, and he did not know what to do. He tried to speak to some officers, but they could not understand him, nor he them, and so he brought the articles along with him, saying that he was going to his broker. They arrested him and found the things on him.

Question. What articles were they?

Answer. Dutiable goods. They took the articles away, and he had on board some amount of merchandise which, I think, had been properly entered. But they seized those things, and until the other matter was arranged they would not allow him to take them.

Question. They had the right to seize everything?

Answer. Yes, sir. I went down and saw Mr. Dennison. I was then better acquainted with him, as he had boarded at the same place I did. He sent me to Mr. Stanton. I saw this Isaacs, too. I saw Mr. Stanton and Mr. Andrews, and I finally paid \$275 as a compromise. I thought that was quite hard, as my client was a man of means, and I did not gather from him that he intended to do anything wrong.

Question. Why did he undertake to carry those things off the vessel?

Answer. With whom could he leave them? He could not tell anybody what he wanted to do, and to leave the articles in an open berth would subject them to be lost.

Question. The whole of this transaction, then, was this: that this man was caught in the act of attempting to smuggle, and they seized his goods, and he finally compromised by paying \$275?

Answer. Yes, sir.

Question. Where did that money go to?

Answer. I think I paid it to Mr. Stanton.

Question. You believed the man did not intend to smuggle, and they did?

Answer. Yes, sir ; and they caught him in the act, which is the highest evidence.

Question. When did that matter of Paturel happen?

Answer. In October, 1861.

Question. What was the charge against Paturel?

Answer. I never saw any written charge, but I understood the

charge was that he passed goods through the custom-house on a false invoice.

Question. In what respect were the invoices false?

Answer. It was alleged that the goods were undervalued.

Question. What was your first connexion with that matter, and how did you first learn about it?

Answer. Through a gentleman connected with the police department of this city, a very particular friend of mine, who comes to me for legal advice himself, and sends me clients whenever he can?

Question. Did Paturel come to you?

Answer. He did.

Question. What did he say?

Answer. That he had got to go down to the surveyor's office the next day.

Question. Did you understand in what manner the citation of service was made upon him?

Answer. I did not.

Question. At that time had his goods been seized?

Answer. He said they had.

Question. Did you inquire for the warrant of seizure, or if there was any written authority?

Answer. Yes, sir.

Question. Did you see the custom-house men who had charge of the goods?

Answer. No, sir; I think they said one Brown had charge of the goods.

Question. Did you ask any one by what authority they acted in making the seizure?

Answer. Yes, sir, and they told me the circumstances and the cause of the seizure.

Question. You say you went to Andrews's?

Answer. Yes, sir.

Question. What did he say?

Answer. He did not know anything about it.

Question. To whom did he refer you?

Answer. To Dennison & Isaacs. I went to Dennison, and he said he did not know anything about it, and then I went to Isaacs.

Question. What did Isaacs say?

Answer. He said it was a very severe case, or something of that kind, but that the thing could be arranged. He said I had better go down and see some other persons, naming four or five others, Dennison among them.

Question. Who besides Dennison did he name?

Answer. I think one was James B. Craig.

Question. Did Isaacs say there would have to be a condemnation of the goods?

Answer. He did not at first.

Question. Did he afterwards?

Answer. I think Franklin said that I took it for granted that that would have to be the case.

Question. Did you ask them if there was any necessity of going through all this sort of formality?

Answer. Yes, sir.

Question. What did they say?

Answer. They said at first that there was. I asked them that because there were perishable articles, and they would be lost if the matter was not immediately attended to.

Question. Was there any proposition made by either of those parties as to what the government would take?

Answer. I have already stated that Isaacs said that Paturel should pay \$5,000, but that Dennison thought it should not be more than \$2,000.

Question. Did you go to see Dunning?

Answer. Yes, sir.

Question. Did Isaacs seem anxious that you should employ some one of those men?

Answer. I thought he did; but it occurred to me when I got a little familiar with the matter that I had better not—that I should get along better without counsel than with it.

Question. I understand that you went to see Dennison also about this matter.

Answer. Yes, sir.

Question. What kind of goods had they in their charge?

Answer. Principally balloons.

Question. Where were those goods at the time?

Answer. The recent importations were in the custom-house.

Question. Where were the others?

Answer. In Paturel's store.

Question. Had the officers possession of them all?

Answer. They had taken possession of his store.

Question. Were the goods ever, in fact, appraised?

Answer. I do not know.

Question. The amount at which they were appraised was arbitrary, and not their real value?

Answer. Yes, sir.

Question. If there was to be no real appraisement of the goods, what was the necessity of talking about an appraisal at all?

Answer. If there had been a prosecution, it would have been necessary to have an appraisal. A consent to an appraisal at a certain sum obviates the necessity of a real appraisal. According to the practice in this case, the attorney for the claimant and the United States district attorney may consent to an appraisement, and that becomes a matter of record, and part of the proceedings of the court.

Question. Did you ask for a receipt?

Answer. I think I did.

Question. Whom did you ask?

Answer. Mr. Franklin, I think.

Question. What did he say?

Answer. He said it was not necessary. The only object I had in asking for a receipt was to show my client what I paid.

Question. Did they take Paturel's book at the same time?

Answer. They took everything.

Question. At what time were both of these transactions adjusted?

Answer. During the fall of 1861 and the summer of 1862.

Question. Was the money in both instances paid to Mr. Stanton?

Answer. No, sir. I do not think Stanton was in the custom-house in 1861.

Question. The money was paid to the law officer of the custom-house?

Answer. I do not know what Mr. Stanton's position is.

Question. Both the sums were paid to the person occupying that position?

Answer. No, sir. The first sum was paid to Franklin in the first instance, in partial payment. When it was all paid, I think I took it down stairs to a clerk. In the last case I think the money was paid to Mr. Stanton, or some one in his office.

Question. Who is Franklin?

Answer. A deputy naval officer.

Question. You paid it to a clerk. In what bureau?

Answer. I think I paid the first in the invoice room, but I am not sure.

Question. Was it paid into the same bureau to which Stanton is now attached?

Answer. I do not know. In the first instance, the final arrangement was consummated with Mr. Dennison, and in the last instance with Dennison and Stanton, the law officer.

NEW YORK, *December 19, 1862.*

HENRY A. CARGILL sworn :

Question. Where do you reside?

Answer. In New York.

Question. What is your business?

Answer. I have been deputy collector. I am in no business now.

Question. How long were you deputy collector?

Answer. I was first deputy collector under C. W. Lawrence four years.

Question. In what department?

Answer. There were no departments at that time.

Question. What particular business had you charge of?

Answer. I was engaged in everything that came up.

Question. Had you anything to do with seizures?

Answer. No, sir ; not during that time.

Question. Have you ever had?

Answer. Yes, sir ; I was the chief clerk of the invoice department under Schell, and remained there six or eight months, and from about the time that Craig left I acted as seizure clerk up to April, 1859.

Question. State the mode of making seizures in the custom-house during the time you were in that department.

Answer. I know little about the matter of making seizures from passengers. In regard to seizures for false invoices, the detection

was frequently made from invoices which came before the deputy collector. If the price was raised over ten per cent. we would think something was wrong, and we would collect together the invoices of the man for eight or twelve months back, and examine them, to ascertain whether they were correct invoices, or whether there was anything suspicious in regard to them. If we found that the invoices had been raised a number of times, or anything suspicious about the handwriting to induce us to believe the invoice was made out here instead of abroad, our usual manner was to visit the party. The surveyor would generally get out a writ for the purpose of entering the parties' premises, and put it into the hands of one of the inspectors, and either Hart and myself, or Hart and Franklin, deputy surveyor, would visit the place and demand to see the books and papers of the party. Upon the examination of such books, if we found there was any discrepancy between them and the invoices presented to the custom-house, a seizure would be made. If we found everything straight and aboveboard, and no concealment in regard to letters, correspondence, &c., no seizure would be made. If a seizure was made, an officer would be put in possession by Mr. Hart. If it was necessary to seize the goods, it was very frequently necessary that we should seize the papers with them, and such papers and books would be taken and conveyed to the custom-house, sometimes with and sometimes without the consent of the parties. I never knew of any force being used but once. The object was to secure the papers, and Mr. Hart took the ground that the papers, the invoices, and letters belonged to the custom-house, as the parties were bound to produce them to the custom-house whenever required. If a seizure was made, a man was placed in possession of the store with orders to allow nothing to go out or come in. The papers were generally placed in my hands to ascertain if there was any difference between the man's books and the invoices the man had presented. I sometimes found discrepancies, and would generally make out the amount as near as I could. It would consume some time. In the meantime the officer would remain in possession of the store. We would then make out a statement of what we thought we could prove before a court, and present the matter to the district attorney. Frequently the party would come down by attorney and offer to compromise or pay the amount we had discovered as the difference between the books and the invoices presented. In that case a letter would be written by myself to the district attorney, and the case regularly prosecuted in court. But upon the amount being paid into court, the court would order a release of the goods.

Question. Was it the practice of the department to compromise these matters? If so, state particularly the manner in which the compromise was made.

Answer. The compromise was always based upon the amount of frauds we could prove from the papers we had, by the difference between them and the books. But the compromise took place upon the confiscation of the goods. It frequently happened that a man's goods were taken out of the boxes and placed upon the shelves; and it would be impossible to pick out goods which came from a particular ship, and the naval officer and surveyor would say that what we could

prove positively should be taken as the basis of compromise without going into a suit.

Question. Had you authority to compromise?

Answer. I do not know. I hardly considered it in the light of a compromise; it was this: we would make out a statement of what we could prove, and were willing to take that amount, if paid into court, and release the goods rather than commence a suit. It was rather the saving a suit than a compromise. The party would be willing to enter into a condemnation of the goods, and pay the amount into court, rather than be exposed.

Question. Was there any record of this transaction?

Answer. Yes, sir.

Question. Where?

Answer. In the correspondence with the district attorney.

Question. Was any record of it in the custom-house?

Answer. Yes, sir. We have copies of every paper, and they show everything seized while I was in the office.

Question. Have you ever made any sales of goods?

Answer. Only once.

Question. What was that?

Answer. They were goods under the value of one hundred dollars, which had been in the custom-house for ten years previous. The sale was advertised. The goods had been laying around in the different cellars and places where goods had been stored, and each parcel was less than one hundred dollars in value. That was the only sale made under my supervision.

Question. Upon whose order was the sale made?

Answer. The Secretary of the Treasury.

Question. To whom were the returns made?

Answer. Three copies were made out. One went to the collector, one to the auditor's room, and one to the Secretary of the Treasury.

Question. Do you know anything of cases being hushed up upon the payment of a sum of money?

Answer. Only of one when I was in office. I do not know anything about that personally.

Question. What position did James B. Craig occupy in the custom-house?

Answer. He was private secretary to Collectors Curtis, Redfield, and Schell.

Question. At what salary?

Answer. Twelve hundred dollars a year.

Question. Did he receive anything else?

Answer. I have heard him say that Curtis and Redfield gave him one-third of their proportion of the seizures.

Question. For what purpose?

Answer. As a premium for his vigilance, and because he was a very good detective. That, of course, came out of the collector's own private pocket.

Question. During the time you were connected with the custom-house what was your estimate of the amounts received by the collector, surveyor, and naval officer, as their respective shares of the seizures?

Answer. My idea has always been that each one received \$150,000 in the four years of their term.

Question. What did you base that idea upon?

Answer. Upon my books. Just before Schell left the office there was a book made out by Mr. Bayard of all the seizures made?

Question. Is there anything in the custom-house which will show the amounts prosecuted for, and the cases which have been settled?

Answer. Yes, sir; all those things become a matter of record. The matter can be done in no other way, unless it is done by a merchant and an outside officer.

Question. Is a man in the custom-house allowed to become an informer?

Answer. I do not know. I have never heard of one being an informer. I have always understood that that was not to be countenanced.

Question. Do you know of cases where middle men have come in and intervened between the custom-house authorities and parties who have violated the laws?

Answer. None, except the lawyer employed by the opposite party.

Question. You have stated that you thought each of the three officers received, during the four years, \$150,000. If they received that, how much ought the government to have received?

Answer. The government should receive as much as the three officers. I have understood that these amounts would be paid into court, and by the order of the court into the hands of the auditor; that the auditor would set aside one-half for the government, and divide the remainder into three equal shares, and give one share to each officer. I presume that has been the case always.

Question. If documents from the Secretary of the Treasury show that there has only been from seventy to eighty thousand paid into the treasury during that four years, what has become of the remainder?

Answer. I should say a false report had been made.

Question. Have you ever heard anything of that kind?

Answer. I have heard that the papers stated that only seventy or eighty thousand had been paid in, and I scouted the idea because I knew better.

Question. During your connexion with the custom-house what was the custom in regard to releasing goods seized for any alleged violation of the revenue laws, before the institution of any legal proceeding, upon the payment of a specific sum agreed upon by the proper custom-house officers and the claimant of the property?

Answer. None has ever been released that I know of except by order of the court after the money was paid into court.

Question. Then in all instances where a seizure was made legal proceedings were instituted?

Answer. Yes, sir; except in cases where, after an investigation by the officer of the customs, all things were found to be right. In such cases I was ordered by the collector, naval officer, and surveyor, to release the goods.

Question. But when money was paid it was always paid into court?

Answer. Yes, sir.

Question. Then, while you were in the custom-house, the auditor could receive no money except through the clerk of the district court?

Answer. No, sir; not from seizures.

Question. Had you charge of the labor contract?

Answer. I had at No. 12 Broad street.

Question. By whom was that labor contract held when you first became connected with the business?

Answer. It was made during the time I was in office. I think I am a witness to it. It was made by McIntyre, Bixby & Co. It was signed by McIntyre, but whether in the firm name I do not know. James B. Craig and Mather both had an interest in it.

Question. Was Craig, at the time he had an interest in the contract, still in the custom-house?

Answer. No, sir.

Question. How long did this contract continue?

Answer. Up to six or eight months ago, I understand.

Question. Until after the incoming of Barney?

Answer. Yes, sir.

Question. What were the circumstances attending its dissolution?

Answer. During its existence it was transferred by McIntyre, Bixby & Co. to other parties.

Question. What other parties?

Answer. I do not know. I have understood that one is a clerk of Charles H. Marshall.

Question. What were the inducements to that transfer?

Answer. I only know what has been told me. I understood that McIntyre, Bixby & Co. were paid \$21,000 for it. McIntyre, Bixby & Co. had what is called a general-order store, and they were told by Mr. Barney and others that that part of the business would be taken away from them unless this contract was transferred. Simon Stevens had something to do with it. He worked the contract afterwards.

Question. Was this general-order store which they had a profitable store?

Answer. It was; for the reason that all of the goods which came into port upon the right-hand side of the city were sent to that store, provided they were not permitted before the general order was given.

Question. Did you understand that the fear that this store would be taken from them induced the transfer of the contract?

Answer. Yes, sir. Mr. McIntyre told me he received a check from Barney, Parsons & Co.

Question. Who were they?

Answer. A law firm, of which Barney was a member.

Question. What did Stevens tell you in relation to his connexion with it?

Answer. He said it was arranged; that it was all right; and wanted me to work with them. I did not understand the matter, because I had nothing but the supervision of the labor. I had nothing to do with putting men on or putting them off.

Question. Explain the technical meaning of the word "ring," as used in New York?

Answer. It is where several parties combine together to get a good

thing, and divide the profits between them. McIntyre told me they made \$40,000 a year out of the contract.

Question. At the time of the expiration of the contract, who were interested in it besides Stevens?

Answer. I understood that Mathers, former canal commissioner, was.

Question. You understand, then, that Mather was with McIntyre, Bixby & Co., and that after inducing them to sell out he gets into the new ring which was formed by Stevens & Co.?

Answer. Yes, sir. I saw him frequently in the office overhauling the books and making himself at home, as he had previously done.

Question. Do you know the terms and considerations upon which Mather got into the new ring?

Answer. No, sir.

Question. Do you know anything in relation to the manner in which the same business is now done?

Answer. No, sir.

Question. Is there anything inconsistent between the fulfilment of the obligations of that contract and the proprietorship of a general-order store?

Answer. No, sir; they had nothing to do with each other. They were separate and distinct matters, but I suppose it was a matter of favoritism in a party getting a general-order store.

Question. Do you mean, then, that there were no considerations of a public character which induced the transfer of the labor contract, based upon the connexion of this firm of McIntyre, Bixby & Co. with the general-order store?

Answer. I should say, no. McIntyre, Bixby & Co. had had a general-order store for many years, even before the labor contract was made.

Question. When did your connexion with the custom-house cease?

Answer. About the first of August, 1861.

Question. If the number of packages of goods imported into the country, under the present tariff, has diminished twenty-five per cent., would it follow that the labor which was formerly performed under the labor contract could be now performed correspondingly cheaper?

Answer. As a matter of course.

Question. At the time the contract was made was it in reality an economical contract for the government?

Answer. Yes, sir.

Question. And it only became otherwise by the falling off of the importations?

Answer. That is all. The appointment of these laborers was a political matter, and was so for many years, and men were appointed who did nothing, and had nothing to do, but drew their pay. There were probably fifty or sixty men who were never on duty.

Question. Then, taking into account this political consideration, this change was really a measure of economy?

Answer. Yes, sir.

Question. How would the cost of performing this labor at the time

the contract was in existence compare with the cost of performing it at this time?

Answer. Between the time when the contract was made and the time I went out of the custom-house the labor had fallen off one-third or one-half. For six months before I left office there was but half as much labor to perform as before. Then, of course, the contract was very profitable.

Question. What was the price of labor at that time compared with what it is now?

Answer. There is not much difference.

Question. If the number of packages at this time are equal to or about the same number as when the contract was first made, would not the same system be a measure of economy now?

Answer. If the old system of employing labor should be adopted, it would be.

Question. Taking into consideration the enhanced price of labor, would it not be in a still greater degree a measure of economy?

Answer. I do not think there has been any enhanced price of labor.

Question. Are the daily wages of labor pretty much the same now as then?

Answer. Yes, sir.

NEW YORK, *December* 19, 1862.

JAMES B. CRAIG sworn :

Question. What is your business, and where?

Answer. Since 1858 I have been an attorney and counsellor-at-law in New York. For five or six years prior to that time I was in the custom-house.

Question. In what capacity?

Answer. Confidential clerk of Collectors Bronson, Redfield, and Schell.

Question. What was the practice of the custom-house, during your connexion with it, as to adjusting controversies growing out of seizures of goods for a violation of the revenue laws, without the subject becoming one of judicial investigation and prior to legal steps being taken?

Answer. During my term in the custom-house the officers were in the habit of agreeing upon the terms of the adjustment of seizures of merchandise for a violation of the revenue laws, the adjustment being subsequently made through the intervention of the court.

Question. Do you mean that no final adjustment of seizures was made, to your knowledge, while you were acting in the character you have mentioned, where the subject-matter did not become a matter of legal investigation?

Answer. I meant to say that while I was in office, when we made a seizure of merchandise, if the party desired an adjustment of it, he made an arrangement of the terms of the adjustment with the revenue officers, and the district attorney was then directed by the collector to

see that the terms agreed upon between the collector and the claimant were carried out in the court.

Question. Were there not frequently seizures which were made by custom-house officers actually adjusted without the subject ever coming to the knowledge of the district attorney, or any other officer of the district court?

Answer. Never, to my knowledge, except where the payment of the amount was less than \$100. Those small amounts were sometimes paid directly to the auditor by the party, without the intervention of the court or the district attorney.

Question. Ultimately, all the moneys paid, growing out of fines and forfeitures connected with the revenue laws, go into the hands of the auditor of the custom house. Through what channel does he uniformly receive such fines and forfeitures?

Answer. During the time I was in office I never knew the auditor, with the exception I have named, to receive moneys on account of fines or forfeitures through any other source than the clerk of the district court.

Question. Have you any personal knowledge of what is known as the labor contract?

Answer. I was one of the original parties to it.

Question. How many parties were there?

Answer. Four contractors.

Question. Name all the members of the firm, and then the firm name.

Answer. There was no firm name. The contract was made with four individuals—McIntyre, Mather, Bixby, and myself.

Question. What were the terms as to the payments to be made to the contractors?

Answer. I am unable to state from recollection.

Question. About how much a week?

Answer. It was two thousand and some odd dollars weekly.

Question. Was the amount paid by the government under the contract more or less than the cost of the same labor for the year prior to its being made?

Answer. I cannot pretend now to give the figures exactly, but my impression is that the amount paid by the government to the contractors was in the neighborhood of \$100,000 a year less than it had cost the government up to that time.

Question. When did that labor contract expire?

Answer. The date I cannot tell. The contract was to run for three years from the time we took it. I think it expired some time this year.

Question. Since the expiration of that contract the government has been having that labor performed in the old mode?

Answer. I believe so.

Question. If the present collector, Barney, is able to have that labor performed at this time for a less sum than that allowed by the terms of the labor contract, do you account for it from the fact that a larger number of laborers were employed prior to the contract being made

than was necessary, or from the fact that there has been an actual falling off of the labor to be performed?

Answer. I do not think he can do it for any less ; but if he can, it will be because of the decrease in the importations and the smaller number of packages to be examined.

Question. What was that labor contract worth?

Answer. I think we had the contract fifteen months before we assigned it, and I think, in the fifteen months, we made from forty to fifty thousand dollars, including the bonus we received. I cannot be exactly certain as to dates or amounts.

Question. Up to what time was this contract held by the original contractors?

Answer. I think up to April or May, 1861.

Question. Did you make a sale of the contract about that time; and if so, did you all sell your interests, and to whom?

Answer. So far as I know, we all sold our interests, and I understood we were to receive from Simon Stevens and Luther B. Wyman \$20,000 for it. At any rate, I received \$5,000 for my quarter interest in the contract.

Question. What was your motive for selling?

Answer. I thought it was a good sale.

Question. Had you any other reason for selling?

Answer. My business engagements were such that I could not devote any time to it without serious detriment to that, and I preferred to have \$5,000 and not spend the time, than to have the contract and spend the time.

Question. Did you apprehend that the contract might be annulled?

Answer. I was apprehensive of it.

Question. Why?

Answer. Because, from the time the contract was entered into, there were several attempts made by various persons in the House of Representatives to have a resolution passed annulling the contract, and I did not suppose that if, under a democratic administration, efforts would be made to annul a contract made by democrats, any less efforts would be made under a republican administration to annul a contract made by democrats.

Question. Do you mean that the original contractors were democrats?

Answer. Such were their politics.

Question. And do you mean that within a month after this administration came into power, this contract was sold out to republicans?

Answer. Stevens is a republican, and I have always understood that Wyman was a republican.

Question. Who paid you the \$5,000?

Answer. I think I received a check of William Allen Butler.

Question. Who is he?

Answer. He acted as the attorney, I understood, in making the negotiation for the parties to whom we assigned.

Question. Was he in anyways connected with the custom-house, or with any officers of the custom-house?

Answer. He had no connexion with the custom-house that I knew of, and none with any officer of the custom-house, unless he was a member of the law firm of Barney, Butler & Parsons.

Question. This all happened about the time Barney was appointed collector?

Answer. I do not remember when Barney was appointed collector.

Question. What connexion had Barney, the collector of the port, with that sale, either directly or indirectly?

Answer. I do not know that he had any. I did not negotiate for the sale of the contract myself, except that I had one interview with Mr. Butler to arrange with him that the sureties I had furnished for the contract be indemnified, and that was after the terms had all been agreed on.

Question. What suggestions did you understand Mr. Barney had made upon the subject of transferring this contract to other parties?

Answer. I do not think I understood he made any suggestion upon the subject.

Question. What did you hear that he had said about that labor contract prior to, or about the time you sold it to Stevens and Wyman?

Answer. I do not know that I heard that Barney had said anything about it.

Question. Or any other person connected with the custom-house?

Answer. I do not know that I ever heard anything from any official.

Question. Is there any necessary connexion between the general-order business or stores, and the execution of this labor contract?

Answer. None that I am aware of. I had not anything to do with any general-order store when I had the contract. Some of my partners had two or three general-order stores.

Question. Taking the ordinary importations for the last three years, what number of laborers would it require to perform the labor which was required to be performed under that contract?

Answer. Since my connexion with the contract ceased I have paid no attention to the importation or the amount of labor to be done, and therefore I am unable to give any answer.

Question. During the time you were executing the contract, how was it?

Answer. Our number of men varied. Sometimes we had over a hundred men, and again, for a short time, the number was reduced down to as low as sixty.

Question. What were the weekly profits of that contract at the time you made the sale of it?

Answer. I think about \$1,000 a week.

Question. Have you any connexion with the custom-house now?

Answer. None whatever, unless it be in the relation of counsel.

Question. Counsel for the custom-house?

Answer. Yes, sir; for the government.

Question. Do I understand from that, that the government is in the habit of employing counsel in addition to the district attorney?

Answer. Yes, sir. We have been employed in a very large number of cases to assist the district attorney.

Question. What is the name of your law firm?

Answer. Webster & Craig.

Question. When your firm has been employed to assist the district attorney, it has been an employment by some particular custom-house officers?

Answer. Yes, sir; by the officers here.

Question. In such cases are the fees paid by the government, or by the particular custom-house officer who employed you?

Answer. We are employed in at least one case, and perhaps two, by the present officers, but we have not yet sent in our bill to anybody, and I do not know who will pay them. I do not know whether they had authority from the Secretary of the Treasury to retain us as counsel or not, in one of the cases.

Question. How was it under former officers?

Answer. From the officers themselves, as private parties.

Question. Has your firm ever been retained by the government to assist the district attorney, so that the fees were paid by the government itself?

Answer. We were retained by the officers here to assist in the investigation in regard to what is known as the Buenos Ayres case. I was employed a month in taking testimony, but have not sent in my bill yet, and I have been informed by the officers that it was done upon the authority of the Secretary of the Treasury.

Question. What is the practice of the government?

Answer. When I was in the custom-house, we would frequently write to the Secretary of the Treasury asking for authority to employ counsel in certain cases, and the Secretary never refused to grant it.

Question. You do not know whether similar applications have been made by the present officers to the present administration?

Answer. I think William Curtis Noyes was also, by the authority of the present Secretary of the Treasury, retained in the Buenos Ayres cases.

NEW YORK, *December 19, 1862.*

FRANCIS WIGAND sworn :

Question. Where do you reside?

Answer. In Hoboken.

Question. What is your business?

Answer. Leather merchant and importer.

Question. Have you had any dealings with the custom-house?

Answer. Yes, sir.

Question. State it in detail.

Answer. Some time last fall some officers from the custom-house came to my store and wanted to see my books. I refused to show them unless I was shown a warrant. They showed me a warrant, wherein it was said they suspected me of smuggling. For that reason they wanted to look for smuggled goods in my store. But there

was nothing said in the warrant about my being obliged to show my books, and I refused to show them ; but they took them away by force, though I protested.

Question. What did you do next?

Answer. I went to see a lawyer about it. I tried to get out a writ to put me in possession of my books, but the judge refused to grant it. About that time several persons were arrested for political offences, and he thought that if my papers had been seized there must be some good cause for it, and he would not interfere with the custom-house authorities. So I was kept out of my books for several weeks. My goods were seized also.

Question. Who was your lawyer?

Answer. Francis Cutting and Mr. Craig.

Question. Did you confer in person with the custom-house officers, or through a lawyer?

Answer. Through my lawyer.

Question. What was the sum demanded of you?

Answer. A large sum.

Question. Whom did your lawyer confer with at the custom-house?

Answer. I do not know, but I think the collector.

Question. How much did you finally pay?

Answer. \$2,500.

Question. What did your lawyer say they asked at first?

Answer. I do not recollect the amount, but it was more than that.

Question. Upon what charge or pretence?

Answer. Upon the charge of fraudulent invoices.

Question. How came you to pay \$2,500?

Answer. That was about the value of the goods they had seized which belonged to me.

Question. Was it true you had made false invoices?

Answer. No, sir ; I did not exactly make false invoices.

Question. How came you, then, to pay \$2,500?

Answer. Because they had possession of my books, and I saw no other way of getting them back.

Question. Could not you get back your books and goods if you had not been guilty of any violation of the revenue laws?

Answer. I have no doubt I could, but it might have broken up my business before I could do it.

Question. You may explain wherein there was any departure by you from the revenue laws.

Answer. I do not know that it would be proper for me to answer that question.

Question. Did you pay this sum of money because you considered that you had violated the revenue laws?

Answer. I cannot answer that question.

Question. How long were your goods in the custody of the revenue officers?

Answer. Two or three weeks.

Question. Did your lawyers advise you that you had better pay this sum?

Answer. Finally, Mr. Cutting advised me to pay it, because if I

sued the officers it would take a great deal of time, and my expenses might be just as large and I might not gain anything by it; at least, that would be the shortest way of getting possession of my books and papers.

Question. Did the case go through any process in court?

Answer. Yes, sir.

Question. What?

Answer. I do not know the particulars; I never was in court, but I had to sign a paper to get the release through the court.

Question. What paper did you sign?

Answer. So far as I recollect, it was a statement of the amount of the goods, and that I consented to pay \$2,500.

Question. Did you stipulate not to sue anybody?

Answer. I do not recollect.

Question. Is this the only instance in which you have had trouble with the custom-house?

Answer. Yes, sir.

NEW YORK, *December 20, 1862.*

DANIEL JACKSON SWORN :

Question. Will you state your official position in the custom-house?

Answer. I am chief clerk of the seventh division.

Question. Would it come within the province of your official duties to be acquainted with the number of packages of goods imported into the United States from foreign countries for a series of years past?

Answer. It would be my duty to know the number of packages received into the public store—packages ordered to be examined.

Question. What number of packages are imported?

Answer. Only a portion of the packages are ordered for examination—one out of ten; that is about the ratio when there is a large importation.

Question. What officers of the government can furnish information as to the number of packages imported during any particular time?

Answer. I do not think it is possible to get any information of that kind unless through a great deal of trouble. The only way would be to examine the officer's returns of vessels.

Question. To what articles of importation did the labor contract, which expired on the first day of last August, apply?

Answer. It applied to dry-goods, hardware, drugs, &c.

Question. In what manner did it apply, and what labor was to be done under it?

Answer. Those goods were to be sent into the store, hoisted to different parts of the store and opened, and, after examination, they were to be closed, lowered to the proper places of delivery, and there delivered to the merchant's carts.

Question. All the goods which were effected by that labor contract when in existence, were goods which would come under the notice of your office?

Answer. Yes, sir.

Question. Will you state what proportion of the packages imported were thus subject to the provisions of this labor contract, and what was the specific object to be accomplished?

Answer. I have no means of getting at that information.

Question. What is the reason that certain labor is to be performed in reference to certain importations and not to others?

Answer. There are certain classes of goods ordered to the public stores for examination for the purpose of comparing the goods with the invoices—goods which have to be examined critically as to their value and contents. Another class of goods are examined upon the wharves, such as iron and heavy articles—the value of which may be determined by a mere glance at the articles. Sugar, molasses, and iron are never ordered to the stores, and until lately coffee was never sent there.

Question. And the labor contract, then, only applied to such articles as were sent to the public stores?

Answer. That is all.

Question. Is any labor performed for which compensation is made by the government as to goods which are taken away by the importers themselves or their assignees, or goods which are not so taken, but which also were not sent to the government store for examination?

Answer. The government is at no expense in regard to the general-order stores. There are some stores at the Atlantic dock with the working of which I am not very familiar. They belong to Mr. Bruce's department.

Question. So that the labor contract only applied to such goods as were in the government stores for examination?

Answer. Yes, sir; only those which were in the United States appraisers' stores.

Question. With a view of determining the question whether the invoices were or were not correct?

Answer. Yes, sir; as to value and contents.

Question. Can you furnish from your office a statement of the number of such packages as have been sent to the appraisers' store during the four years preceding the first day of the present month?

Answer. I think I can. At the close of each month the deputy collector in charge of the public stores furnishes a report to Mr. Barney, which report we send to Washington, and in that is generally mentioned the number of packages received into the store.

The following is the statement, subsequently furnished by the witness:

Statement of the number of packages received into United States appraiser stores, compiled from monthly reports of the deputy collector in charge.

| Date. | Number. | Date. | Number. | Date. | Number. |
|----------------|---------|----------------|------------|----------------|------------|
| 1857. | | 1859. | | 1861. | |
| June..... | 7, 578 | March..... | 1, 365 | January..... | 11, 113 |
| July..... | 17, 155 | April..... | 15, 316 | February..... | 10, 763 |
| August..... | 14, 716 | May..... | 16, 002 | March..... | 6, 437 |
| September..... | 12, 119 | June..... | 12, 932 | April..... | 7, 406 |
| October..... | 8, 335 | July..... | 17, 215 | May..... | No report. |
| November..... | 7, 364 | August..... | 18, 444 | June..... | do..... |
| December..... | 6, 337 | September..... | No report. | July..... | do..... |
| | | October..... | do..... | August..... | 4, 038 |
| 1858. | | November..... | do..... | September..... | 3, 967 |
| January..... | 4, 688 | December..... | 11, 701 | October..... | 4, 464 |
| February..... | 5, 944 | | | November..... | 5, 121 |
| March..... | 9, 560 | | | December..... | 5, 706 |
| April..... | 7, 853 | 1860. | | | |
| May..... | 7, 888 | January..... | No report. | 1862. | |
| June..... | 8, 011 | February..... | do..... | January..... | 5, 633 |
| July..... | 10, 150 | March..... | do..... | February..... | 6, 121 |
| August..... | 13, 867 | April..... | 9, 191 | March..... | 10, 246 |
| September..... | 11, 033 | May..... | 11, 023 | April..... | 8, 951 |
| October..... | 8, 730 | June..... | 8, 126 | May..... | 7, 541 |
| November..... | 9, 748 | July..... | 14, 079 | June..... | 7, 045 |
| December..... | 9, 657 | August..... | 17, 270 | July..... | 9, 433 |
| | | September..... | 10, 948 | August..... | 11, 610 |
| 1859. | | October..... | 11, 018 | September..... | 11, 295 |
| January..... | 12, 025 | November..... | 8, 706 | October..... | 8, 677 |
| February..... | 14, 002 | December..... | 11, 213 | November..... | 5, 852 |

Question. Will the number of packages sent to the public stores be increased or decreased ratably with the increase or decrease of importations; and what, in your judgment, based upon the facts within your knowledge, is the comparative importations during the year ending the first day of this month, and each of the preceding three years?

Answer. To the first part of the question I answer I think not. During a period of light importations, smaller invoices of goods are imported; that is, there is a smaller number of packages returned on the invoices, and the law requires a certain number of packages from each invoice shall be sent to the store. Where there are twenty cases of the same kind of goods upon the same invoice, probably only two packages would be sent, whereas if there were only two cases on the invoice, both of them would be sent.

To the last part of the question I am unable to give an answer.

NEW YORK, December 20, 1862.

MUNSON GRAY sworn:

Question. Have you had any experience in connexion with the custom-house in New York?

Answer. I have been in the appraisers' store about 22 years, and up to last March.

Question. Before the labor contract was made, in what manner was the labor, which was provided for by that contract, performed, and under whose direction?

Answer. Under direction, I believe, of the storekeeper and the collector. The government furnished the labor and employed the men.

Question. What are the general duties of the custom-house storekeeper?

Answer. He is supposed to be in charge of the stores under the collector. I mean by the public stores, the appraisers' stores.

Question. Do you mean the buildings in which certain packages of goods are sent for examination?

Answer. Yes, sir.

Question. The storekeeper then has the general charge and control of the goods which are sent to the public store for examination to see whether the articles imported correspond with the invoices, and whether any frauds are being perpetrated upon the revenue laws?

Answer. They are under his charge.

Question. Was the expense to the government increased or diminished by what is known as the labor contract, which was entered into about the first of August, 1859?

Answer. I think when that contract was first made the importations were very limited, and the expense to the government was very heavy for labor.

Question. Were men employed who were not actually needed?

Answer. Yes, sir; a great many more than were needed. The number of men was gradually increased until they numbered more than 200, which were far more than were needed.

Question. Political influences resulted in a constant increase?

Answer. Yes, sir; in connexion with bad management upon the part of the storekeeper.

Question. Now, the question is whether those expenses were increased or diminished by the adoption of the labor contract?

Answer. I think the contract was considerably less than the expenses were before to the government, but then the importations fell off very much, particularly during the year 1861. The contractors managed the store with a very few men, and with very little expense comparatively.

Question. And of course from that cause resulted large profits to the contractors?

Answer. Yes, sir.

Question. Taking the last two or three years as a basis, what would be the fair annual expense of performing the labor in connexion with the government stores?

Answer. I do not know that I can answer that question. In 1861, if I recollect aright, the importations were light, and the contractors employed only about fifty men. I do not know the exact number.

Question. What was the amount received per year by the contractors under the labor contract, and during the year 1861? What were

the probable expenses, and what the fair profit to the contractor under the contract, and what the number of men ordinarily employed?

Answer. I believe they received about \$126,000 a year out of the contract. The expenses were about \$49,000, leaving a profit of about \$77,000. The men employed were about fifty, on an average.

Question. What do you know of that contract being transferred to other parties?

Answer. The original contractors were McIntyre, Bixby & Co., and it was reported that other parties came in—Mr. Simon Stevens and Mr. Wyman, and some others, as I heard.

Question. Did any one of these contractors interfere with the duties of the government storekeeper, in any way, in breaking packages or delivering goods?

Answer. There was a package received in the store from one of the steamers, and sent to the fourth loft of the building. A few days afterwards, in going the rounds of the store, I found that package in the contractors' private office, opened. A part of the contents had been taken out and delivered to the owners. I believe the duties had not been fully paid upon that package. I ascertained that Mr. Stevens ordered that package from the fourth story to his office, and had had it opened and a part of the goods delivered.

Question. By what authority did he do it?

Answer. I suppose he would say he took the responsibility. He got it out through the clerks, in some way or other, but he had no authority to do it. I take it, he had no authority under the contract. I wrote a note to the collector about it.

Question. Was it not your duty, when this fact came to your knowledge, to complain of Stevens's conduct in interfering with public business which did not concern him?

Answer. Certainly; and I wrote a letter to Mr. Barney stating the fact.

Question. What was the result? Was Mr. Stevens excluded afterwards from the public building?

Answer. No, sir; but he got me excluded afterwards. He gave me to understand that the thing was made all right, and if I was not quiet upon the subject he would get me removed.

Question. When was this?

Answer. I think it was in August, 1861.

Question. Were these contractors allowed any clerks at the expense of the government?

Answer. They had the services of two government clerks, but they were not allowed by the government. One was Mr. Baum, who made out a list of the men and called the roll, and I believe he acted as foreman of the contractors. His relation to the government was that of receiving clerk. Mr. Dempsey was the other clerk in the storekeeper's office. He used to make out the pay-roll for the contractors.

Question. Did this Mr. Stevens occupy a room in the government storehouse?

Answer. He had an office in front, on Broadway.

Question. Fitted up at the expense of the government?

Answer. Yes, sir.

Question. Was it a public office, or was it for his own use?

Answer. It was an office for the contractors.

Question. Was any such office known in that building before that time?

Answer. Not before the contract was made. The other contractors had an office in Broad street, but not fitted up like Stevens's office.

Question. He fitted up an office in Broadway?

Answer. Yes, sir; and at a large expense to the government, too.

Question. Do you think it cheaper and more economical for the government to have this labor performed by contract than to have it performed by the storekeeper employing men for that purpose?

Answer. I think the government can do it cheaper than it has been done, and I am told that they are doing it cheaper now than they were under the contract, though they have increased the number of men. I think there are more men there than are needed, but still I believe the work is done cheaper than formerly.

Question. Are goods which are seized for a violation of the revenue laws taken to the public stores?

Answer. Nearly all are. If a whole cargo were seized they could not take them there; but generally, I believe, seized goods are taken there. I believe there is a new plan adopted now.

Question. A list of the goods so seized is kept at the public stores?

Answer. I believe so.

Question. Is the practice now as to seized goods different from what it was formerly?

Answer. Several years ago the seized goods were entered and reported (by the United States storekeeper, 56 Broadway) at the warehouse department the same as other goods. But in order, I suppose; to have that branch of the business kept secret, a private report is now made to the clerks in the collector's department. Formerly the seized goods were in charge of the storekeeper at the appraisers' store, but now, I believe, the goods are locked up in a private room and the key is in the hands of a clerk, under the direction of the surveyor. This is all wrong. The storekeeper is the proper person to take charge of the seized goods, which should be entered on the report and sent to the warehouse department. Then every package seized would be accounted for to the government.

NEW YORK, *December 20, 1862.*

STEWART VAN VLIET sworn :

Question. Please state your official position, and where you are on duty at the present time.

Answer. I am quartermaster in the army, and am on duty in New York city, in charge of the quartermaster's department.

Question. Have you, as such quartermaster, purchased or chartered any vessels for any of the recent expeditions?

Answer. I have not.

Question. Please state whether any such purchases or charters of

vessels have been made in the city of New York ; and if so, when and by whom, so far as your knowledge extends ?

Answer. I was informed that Commodore Vanderbilt was intrusted with getting up, chartering, and fitting out vessels for the Banks expedition. I, as quartermaster here, have neither chartered nor purchased vessels for that expedition.

Question. These charters and purchases, so far as you know, have been made by Mr. Vanderbilt ?

Answer. They have, so far as my knowledge extends.

Question. What are your means of knowledge in this matter ? and have any returns been made to your office of the purchases and charters made ?

Answer. No returns whatever have been made to my office. Those transactions were independent of the quartermaster's department in this city.

Question. Have you any knowledge of what vessels Commodore Vanderbilt purchased and chartered ?

Answer. I have not officially. All I know is from what he told me. I knew he was engaged in fitting out the expedition.

Question. To whom does Commodore Vanderbilt report ?

Answer. I do not know.

Question. Where should the list of those vessels be found ?

Answer. He should make a charter for each vessel and forward it to the quartermaster general's office. I know that Mr. Tucker, the Assistant Secretary of War, has been on here in relation to matters connected with that expedition, and consulted with Commodore Vanderbilt.

Question. Will you furnish the committee with a list of the vessels chartered or purchased by you ?

Answer. I will.

The following is the list, subsequently furnished by the witness :

List of vessels chartered.

| Name of vessel. | Tonnage. | Rate of charter. | Of whom chartered. | Length of charter. | Place of discharge. |
|---|----------|--------------------------------|---|--------------------|---------------------|
| Steamer Illinois ^o | 2, 126 | <i>Per day.</i> \$1, 200 00 | Marshall O. Roberts..... | ----- | ----- |
| Steamer Empire City ^o | 1, 754 | 1, 000 00 | do..... | ----- | ----- |
| Steamer North Star ^o | 1, 867 | 1, 200 00 | Atlantic & Pacific Steamship Company..... | ----- | ----- |
| Steamer Northern Light ^o | 1, 761 | 1, 200 00 | do..... | ----- | ----- |
| Steamer Chi King ^o | 1, 250 | 1, 100 00 | J. W. Forbes & Co..... | ----- | ----- |
| Steamer M. Sanford ^o | 900 | 950 00 | James P. Sanford..... | ----- | ----- |
| Steamer New Brunswick ^o | 850 | 900 00 | International Steamship Company..... | ----- | ----- |
| Steamer Eastern Queen ^o | 700 | †1, 700 00 | A. B. Vanneman, agent..... | ----- | ----- |
| Steamer Honduras ^o | 376 | 400 00 | S. H. Ackerman..... | ----- | ----- |
| Steamer Niagara ^o | ----- | ----- | A. J. Richardson..... | ----- | ----- |
| Steamer Merrimack ^o | 2, 000 | 1, 200 00 | John H. Foster & Co..... | ----- | ----- |
| Steamer Mississippi ^o | 2, 000 | 1, 200 00 | do..... | ----- | ----- |
| Steamer Continental ^o | 1, 623 | 1, 100 00 | Ocean Steam Navigating Company..... | ----- | ----- |
| Steamer Mary A. Boardman ^o | 400 | 450 00 | Ayman & Co..... | ----- | ----- |
| Steamer Quinebaug [†] | 300 | 250 00 | Horace Whitaker..... | ----- | ----- |
| Steamer Shetucket [†] | 300 | 250 00 | do..... | ----- | ----- |
| Steamer Charles Osgood [†] | 300 | 250 00 | do..... | ----- | ----- |
| Steamer James T. Greent [†] | 350 | 250 00 | Thomas Clyde..... | ----- | ----- |
| Steamer Quincy [†] | 400 | 300 00 | James S. Whitney..... | ----- | ----- |
| Steamer Saxon [†] | 458 | 300 00 | do..... | ----- | ----- |
| Steamer Salvor [†] | 500 | 450 00 | Thomas Clyde..... | ----- | ----- |
| Steamer Haze [†] | 291 | 250 00 | Charles H. Mallory..... | ----- | ----- |
| Steamer Prometheus [†] | 664 | 450 00 | E. A. Souder & Co..... | ----- | ----- |
| Steamer Albany [†] | 250 | 250 00 | C. W. Kenworthy..... | ----- | ----- |
| Steamer Jersey Blue [†] | 250 | 250 00 | do..... | ----- | ----- |
| Steamer Cumbria [†] | 477 | 450 00 | E. A. Souder & Co..... | ----- | ----- |
| | | <i>Per ton per month.</i> | | | |
| Ship Amazonian..... | 500 | \$4 00 | D. E. Mayo..... | 60 days..... | At any port..... |
| Ship T. J. Southard..... | 1, 081 | 4 25 | J. F. Howard..... | 3 months..... | At New York..... |
| Ship Moro Castle..... | 523 | 4 50 | L. R. Ross..... | do..... | do..... |

| | | | | | |
|-------------------------|---------------------|------|-------------------------|----|-------------|
| Ship Sparkling Sea | 893 | 4 00 | A. C. Walsh | do | At any port |
| Ship Jenny Beals | 1,094 | 4 00 | John Crocker | do | do |
| Ship Olanau | 780 | 4 00 | John H. Stuart | do | At New York |
| Ship Theobaldo | 836 | 4 00 | George H. Theobaldo | do | do |
| Ship Pocahontas | 1,088 | 4 00 | Benjamin Delano | do | do |
| Ship Pocahontas | 838 | 4 00 | Thomas Smith | do | At any port |
| Ship Lucinda | 1,398 | 4 00 | J. A. Cobb | do | do |
| Ship Wizard King | 1,119 | 4 00 | David Oliver | do | At New York |
| Ship Aquila | 1,107 | 4 00 | David J. Harding | do | At any port |
| Ship Windmore | 1,049 ⁷² | 3 75 | Dunbar Henderson | do | do |
| Ship Montebello | 1,091 | 3 75 | William Leavitt | do | do |
| Ship William Woodbury | 1,149 | 3 75 | L. W. Gilley | do | do |
| Ship J. Morton | 1,000 | 4 00 | Nathan L. Seavey | do | do |
| Ship International | 1,905 | 3 75 | Abraham Bells & Son | do | do |
| Ship Planter | 1,156 | 3 75 | William J. Singer | do | do |
| Ship Alice Counce | 620 | 3 75 | J. E. Eaton, jr | do | do |
| Ship Jenny Lind | 1,568 | 3 75 | Charles Carow | do | do |
| Ship Constellation | 1,397 | 3 75 | William T. Weld & Co. | do | do |
| Ship George Peabody | 1,150 | 3 75 | Sturges, Clearman & Co. | do | do |
| Ship L. L. Sturges | 1,396 | 3 75 | John A. McGraw | do | do |
| Ship Belle Wood | 1,370 | 3 75 | William H. Foster | do | do |
| Ship Undaunted | 1,375 | 3 25 | Charles Carow | do | do |
| Ship William S. Schmidt | 775 | | | do | do |

* These steamers to furnish their own coal.

† These steamers to furnish their own coal for 20 days, after which the government is to coal them.

‡ \$900 for 30 days, \$800 for balance.

Question. Under the rules and regulations of the War Department, through whom would such charters and purchases as have been made by Vanderbilt be naturally made?

Answer. Through the officers of the quartermaster's department.

Question. For what reason was the usual mode prescribed by the rules and regulations departed from in this case?

Answer. I do not know. I think Mr. Vanderbilt was appointed a special agent for the government.

Question. Does he hold any office in the quartermaster's department?

Answer. Not to my knowledge. He sent in some papers to my office, in which he signed himself special agent.

Question. Was there any reason within your knowledge why the quartermaster's department could not have been employed to do that business?

Answer. None.

Question. Had you not sufficient force in your office to perform that service?

Answer. I had and have sufficient force.

Question. Had you yourself suggested that in consequence of the other duties of your office, that business should be devolved upon some other person?

Answer. No, sir.

Question. Was the assistant quartermaster general in this city consulted upon that question at all?

Answer. Not to my knowledge.

Question. Have you understood what course would be taken after the departure of the expedition?

Answer. Yes, sir; I have understood that then everything connected with the expedition would be transferred to the quartermaster's department.

Question. From whom did you understand that?

Answer. I believe from Commodore Vanderbilt himself, and from the Assistant Secretary of War, John Tucker.

Question. Has such transfer yet been made?

Answer. It has not.

Question. Have any vessels chartered or purchased by you been turned over to the Banks expedition?

Answer. Yes, sir. I have no official information of the fact, but I understand that some fifteen vessels that I chartered have been turned over to that expedition. In the latter part of October I received instructions from the quartermaster general to charter, for a short period, vessels sufficient to carry ten thousand troops to re-enforce our troops at Port Royal. Those vessels were chartered about the first of November, and sent to Baltimore and Washington to receive the troops. But I understand that those vessels were subsequently transferred to the Banks expedition. I have not *purchased* any vessels which were transferred to that expedition.

Question. Will you furnish the committee with a list of the vessels chartered by you which were so turned over?

Answer. Yes, sir.

The following is the list subsequently furnished by the witness :

| Name of vessel. | Date of charter. | For what period. | Rate per day. | Remarks. |
|------------------------|------------------|--|---------------|--|
| Steamer Arago..... | 1862. Oct. 29 | 15 days, with privilege ... | \$1,200 | All port charges and pilotage, except out and in and at New York, to be paid by Major Van Vliet. Coal found by owners. |
| Steamer Atlantic ... | Oct. 30 | ...do.....do. | 1,200 | Do. do. do. |
| Steamer Baltic..... | Oct. 30 | ...do.....do. | 1,200 | Do. do. do. |
| Steamer Curlew..... | Oct. 30 | ...do.....do. | 375 | Do. do. do. |
| Steamer Key West... | Oct. 30 | ...do.....do. | 600 | Do. do. do. |
| Steamer Thorn..... | Oct. 31 | ...do.....do. | 250 | Do. do. do. |
| Steamer Thames*... | Nov. 1 | ...do.....do. | 350 | Do. do. do. |
| Steamer Matanzas... | Nov. 1 | 2 months from November 6, with privilege. | 800 | Do. do. do. |
| Steamer Pocahontas. | Nov. 3 | 15 days, with privilege ... | 650 | Do. do. do. |
| Propeller City of Bath | Nov. 7 | For a voyage from New York to Hilton Head, via Washington. | 500 | All port charges and pilotage, except out and in and at New York, to be paid by Major Van Vliet; and all coal for use of said steamer to be supplied by Major Stewart Van Vliet. |

* The Thames is a new vessel, built for China trade; was chartered by Captain Hodge, United States army, March 5, 1862; has been to Port Royal and back; was discharged September 15, and taken in service again November 1 to take troops to Hilton Head; broke her machinery and was towed into Port Royal. She is one of the best sea-going vessels of her tonnage.

STEWART VAN VLIET,
Major and Quartermaster.

NEW YORK, December 22, 1862.

ROBERT MURRAY sworn :

Question. Please state your residence and official position.

Answer. I reside in New York, and am United States marshal for the southern district of New York.

Question. How long have you occupied that position?

Answer. Since the 20th of April, 1861.

Question. Can you state to the committee the amount of money you have received by virtue of your office during the time you have been marshal?

Answer. I cannot without examining my books.

Question. Will you furnish a statement thereof to the committee and consider the same as a sworn part of your evidence?

Answer. I will.

The witness subsequently furnished the following statement:

U. S. MARSHAL'S OFFICE, SOUTHERN DISTRICT OF NEW YORK,
New York, December 24, 1862.

| | |
|---|----------|
| Marshal's earnings from 22d April to the 30th June, 1861, inclusive | \$950 56 |
| Marshal's net earnings from the 1st day of July, 1861, to the 31st day of December, 1861..... | 2,930 47 |

| | |
|--|----------------------|
| Marshal's net earnings from 1st January, 1862, to 30th June, 1862..... | \$2,126 80 |
| Marshal's net earnings from 1st July to 31st December, 1862, probably..... | 1,500 00 |
| | <hr/> 7,507 83 |
| Deduct from above amount disallowances by First Comptroller | 800 00 |
| | <hr/> <hr/> 6,707 83 |

The probable amount of marshal's commissions arising from the sale of all prize property during the existence of the present rebellion, after deducting the expenses of additional clerk hire and three additional deputies, together with interest upon advances made by him, and other incidental expenses, will not exceed \$15,000.

ROBERT MURRAY,
United States Marshal.

Question. Of what items are the receipts made up?

Answer. Fees for serving legal processes, for making arrests on criminal warrants, for commissions as disbursing officer of the government, and for commissions on the marshal's sales.

Question. Is there any limitation by law on the amount of your fees?

Answer. Yes, sir.

Question. What is it?

Answer. Not to exceed \$6,000.

Question. Have you received anything by virtue of the confiscation of vessels?

Answer. I have received nothing under the confiscation act, nor from the condemnation of prizes; on the contrary, I am in advance some fifty or sixty thousand dollars.

Question. Where is all the prize money which has been received?

Answer. In the sub-treasury.

Question. Do you know the amount?

Answer. About a million of dollars. About three hundred thousand dollars more has been deposited within one or two days, making in all in the neighborhood of \$1,250,000.

Question. Is what you receive from confiscations and prize money outside of your salary?

Answer. That is a mooted question.

Question. If it should be decided that you should be entitled to fees in connexion with those matters outside of \$6,000, what would it amount to?

Answer. I cannot say.

Question. Would it be heavy?

Answer. I think it would be heavy. I can make a calculation and submit it to the committee. I would like to say in this connexion that a week ago last Saturday I was sued in these slave-trade cases. I had arrested quite a number of vessels charged with being engaged in that traffic. They were condemned in the district court, and an

appeal was taken. Pending that appeal the vessels and cargoes were bonded. I have been sued for the wharfage, storage, and labor.

Question. Who is going to settle this question of your fees beyond the \$6,000.

Answer. I think the Solicitor of the Treasury.

Question. It has not yet been settled?

Answer. It has not. My commissions under the fee bill are two and a half per cent. on the first five hundred dollars, and one and a quarter per cent. on all above that amount. In the ordinary business of the marshal's office of this district it is impossible to make honesty the maximum. The marshal cannot make over three or four thousand dollars under the present fee bill.

NEW YORK, *December 22, 1862.*

JOSEPH S. SMITH, sworn:

Question. Where do you reside?

Answer. In Brooklyn.

Question. What is your business?

Answer. I am storekeeper by appointment at the United States public stores in Broadway.

Question. From whom did you derive your appointment?

Answer. From Mr. Barney and Secretary Chase together, I suppose.

Question. What is the system now pursued at the public stores in reference to receiving and delivery of goods?

Answer. The labor is now performed by the government, under the direction of the Secretary of the Treasury and Mr. Barney.

Question. How long have you been in charge of the public stores?

Answer. Only since the 8th of September, 1862. I was appointed to that place the first of March, but there was a contract then existing between the government and some gentlemen of this city who conducted the business.

Question. Have you had an opportunity to judge of the comparative cost of doing this work under the contract system and the present system?

Answer. I had not a fair opportunity to judge, from the first of March to the 8th of September, as to the real cost under the contract system. I had no access to the books and pay-roll. They were in the hands of the men who had the contract. I had charge of the books containing the record of receipt and delivery of goods, but had no control of the men employed. Since the 8th of September I have had charge, under Mr. Barney, the collector, of the men and the payment of the men.

Question. How does the force now employed compare with the force then employed?

Answer. I was instructed to take charge of the store with the men employed on the 8th of September. Beyond that I have no means of knowing how many men they employed. From the increased business we had difficulty in receiving and delivering goods with the ex-

pedition and despatch required by merchants, with the number of men employed when we took the business from the contractors.

Question. Have you men enough now?

Answer. We have rather more men now than are required, as business has relaxed. More men were added in October, but last week an order was received to dismiss eight or ten to-day.

Question. Did you, in October, put on more men than were necessary for the business then?

Answer. I think not.

Question. How many had you in November, over and above what were necessary to do the business?

Answer. I think we might have got along with perhaps fifteen or twenty less. But men are coming and going, and sometimes they are sick, and it is necessary to have a sufficient force.

Question. How many are employed now?

Answer. The average number in the appraisers' department is 110.

Question. At what wages?

Answer. Mostly at fifty dollars a month. A few receive less than that.

Question. Have your more men at the present time than are absolutely required?

Answer. I think we have more men now than we are using, as business is a little slack. I understand that ten more are to be dismissed, with the understanding that when business increases they shall be put on again.

Question. Is the business now managed as cheaply as it can be?

Answer. It has been since the 8th of September, and the expenses have been very considerably less than they were under the contract. I have brought with me a statement showing the comparative expenses last year under the contract and the expenses this year, and also showing the increase of business this year over that of last year. It is sixty-seven per cent. during the two months and over in which I have had charge of the business.

Question. What does the table, which you here offer as a part of your testimony, exhibit in full?

Answer. It shows the difference in the amount paid by the government to the contractors and that paid since the contract expired, during corresponding periods of time.

Question. What is that difference?

Answer. It is \$6,026 40 less from the 8th of September to the 1st of December.

Question. What else does the statement show?

Answer. It shows the increase of business during that time over that of the same period last year. The increase is about sixty-seven per cent. It gives the number of packages in both cases.

Question. What else does the statement show?

Answer. It shows that the business for four months preceding the first of December this year is more than double what it was during the corresponding time last year. I made an estimate for Mr. Barney that the business of the store may be done with liberality, and with full payment of everything, with an average of about 100 men.

The following is the statement presented by the witness as a part of his testimony :

Statement of the expenses of United States public store, from September 8 to December 1, 1862.

| Date. | For what purpose. | Amount. | Average per week. | Average weekly. |
|--------------|--------------------------------------|----------|-------------------|-----------------|
| Sept., 1862. | Incidental expenses | \$47 64 | \$14 29 | |
| | Cartage..... | 2,620 86 | 786 24 | |
| | Labor | 3,395 95 | 1,018 78 | |
| | Total for $3\frac{1}{2}$ weeks | 6,064 45 | | \$1,819 31 |
| Oct., 1862. | Incidental expenses | 447 43 | 99 42 | |
| | Cartage..... | 2,812 12 | 624 90 | |
| | Labor | 5,374 45 | 1,194 30 | |
| | Total for $4\frac{1}{2}$ weeks | 8,634 00 | | 1,918 62 |
| Nov., 1862. | Incidental expenses | 554 73 | 133 14 | |
| | Cartage..... | 1,483 21 | 355 98 | |
| | Labor | 5,622 20 | 1,349 28 | |
| | Total for $4\frac{1}{6}$ weeks | 7,660 14 | | 1,838 40 |

As paid contractors :

| | |
|--|------------|
| September, $3\frac{1}{2}$ weeks, at \$2,365 per week | \$7,888 33 |
| October, $4\frac{1}{2}$ weeks, at \$2,365 per week | 10,642 50 |
| November, $4\frac{1}{6}$ weeks, at \$2,365 per week | 9,854 16 |
| Total | 28,384 99 |

As paid since September 8, 1862 :

| | |
|--------------------------------------|------------------|
| September, $3\frac{1}{2}$ weeks..... | \$6,064 45 |
| October, $4\frac{1}{2}$ weeks..... | 8,634 00 |
| November, $4\frac{1}{6}$ weeks..... | 7,660 14 |
| Total | 22,358 59 |
| | 6,026 40 |
| | <u>28,384 99</u> |

Number of packages received from September 8 to December 1, 1862.

| | |
|--|--------|
| Average of September for 20 days, $3\frac{1}{2}$ weeks | 6,740 |
| Average of October, $4\frac{1}{2}$ weeks..... | 8,677 |
| Average of November, $4\frac{1}{6}$ weeks..... | 5,852 |
| Total..... | 21,269 |
| Number of packages received in September, 1861, $3\frac{1}{2}$ weeks | 3,173 |
| Number of packages received in October, 1861 | 4,464 |
| Number of packages received in November, 1861 | 5,121 |
| Total | 12,758 |
| Increase..... | 8,511 |

8,511 packages more in 1862 than in 1861, being an increase of 67 per cent. in the business at United States public store for the same time.

| | |
|-----------------------|--------|
| August, 1862 | 11,610 |
| September, 1862 | 11,295 |
| October, 1862 | 8,677 |
| November, 1862 | 5,852 |
| Total | 37,434 |
| August, 1861 | 4,038 |
| September, 1861 | 3,967 |
| October, 1861 | 4,464 |
| November, 1861 | 5,121 |
| Total | 17,590 |
| Increase | 19,844 |

NEW YORK, *December 22, 1862.*

SIMON STEVENS sworn :

Question. Were you, or were you not, interested in what is called the labor contract at the public stores?

Answer. I was.

Question. From what time to what time?

Answer. From about the 11th of May, 1861, until about the 6th or 7th of September, 1862.

Question. Who else was interested with you in the contract during that time?

Answer. Mr. Luther B. Wyman.

Question. Any other person?

Answer. I know of no other person directly interested.

Question. Any other person indirectly?

Answer. I represented one half of the contract and Luther B. Wyman represented the other half.

Question. Be kind enough to tell us whether anybody else had any direct or indirect interest in it?

Answer. I represented one-half of it. It was in my name. I bought it and paid for it.

Question. Did anybody have any direct or indirect interest in that half you represented?

Answer. After the acquisition of the contract I employed Mr. Francis M. Bixby to conduct the business, he being one of the original contractors with the government. By that arrangement he had an interest under me, and no other persons under me, either connected with the government or otherwise, to my knowledge.

Question. Did any other person have any indirect interest in the half you represented?

Answer. Not that I am aware of, unless under Mr. Bixby.

Question. Did anybody have any indirect interest in any portion of the contract except that which you represented?

Answer. I have only my suppositions.

Question. What do you know about that matter?

Answer. That I was requested to pay one-half of the profits, whatever they might be, over and above expenses, to William Allen Butler. Mr. Butler stated that he was the attorney for Mr. Wyman. Payments were so made and receipt therefor given by William Allen Butler, as attorney for the first two payments. Subsequently receipts were given by him for money paid to him, signed in initial "W. A. B." Then and from that day all payments were made to him and receipts given by him, and so signed, with the exception of some few payments which were made to George W. Parsons, who sometimes receipted for them, simply "G. W. P.;" on some occasions "W. A. B. per G. W. P.," and sometimes "G. W. P. for W. A. B."

Question. Who is this William Allen Butler?

Answer. He is of the law firm of Barney, Butler & Parsons.

Question. Who is this Mr. Parsons?

Answer. He is of the firm of Barney, Butler & Parsons.

Question. Who is the Barney of that firm?

Answer. Hiram Barney, collector of the port of New York.

Question. Is that firm now in business here?

Answer. Yes, sir.

Question. Did you pay any of these proceeds to Mr. Wyman himself?

Answer. No, sir.

Question. Did Mr. Wyman himself direct you where to pay those proceeds?

Answer. He did not.

Question. Did you have any authority directly from Mr. Wyman to pay them as you did?

Answer. Simply on the day of the execution of the papers Mr. William Allen Butler said, in the presence of Mr. Wyman, this in purport: "As I am the attorney for Mr. Wyman, the net proceeds of this contract will be paid to me."

Question. Did Mr. Wyman assent to that?

Answer. Mr. Wyman nodded assent.

Question. You took no paper to protect you for such payments?

Answer. I did not, nor have I any such papers.

Question. Do you know, from Mr. Wyman or otherwise, whether Mr. Wyman had any interest in this contract beyond the use of his name?

Answer. Mr. Wyman has on several occasions stated to me that he had no interest, direct or indirect, in the contract otherwise than the use of his name.

Question. Did he tell you who had the interest represented by his name?

Answer. He said he knew of nobody in this matter except William Allen Butler, who claimed to act as attorney for the parties actually in interest.

Question. What is the business of Mr. Wyman?

Answer. He is chief clerk, I am informed, of the house of Charles H. Marshall & Co.

Question. Is any member of the firm of Charles H. Marshall & Co.

connected with either of the members of the firm of Barney, Butler & Parsons?

Answer. I am informed that William Allen Butler married the daughter of Charles H. Marshall.

Question. Is there any other connexion between any member of the firm of Charles H. Marshall & Co., and any member of the firm of Barney, Butler & Parsons?

Answer. I have been told, though I do not know it of my own knowledge, that Mr. Charles H. Marshall is one of the sureties of Hiram Barney on his official bond as collector of the port of New York.

Question. How came you first connected with that contract?

Answer. Being personally acquainted with each of the owners of the original contract, shortly previous to the incoming of the present administration some members of that firm informed me that they would like to dispose of the contract. I undertook to make arrangements to buy them out.

Question. What steps did you take?

Answer. I entered into negotiations with the parties owning it, and succeeded in making the purchase.

Question. In your negotiations to purchase this contract, did you find that any other parties were also negotiating to purchase it?

Answer. Yes, sir.

Question. What parties did you learn were negotiating for the purchase of it while you were also negotiating?

Answer. Through the Hon. Moses F. Odell I learned that other parties were negotiating for it. Among names mentioned was that of William Allen Butler, who claimed to be acting as attorney for parties really in interest.

Question. What was your next step after learning this fact?

Answer. I was put in communication with Mr. William Allen Butler; negotiations were continued to completion, and the contract assigned to Luther B. Wyman and Simon Stevens. A power of attorney was filed in the auditor's office, authorizing Luther B. Wyman and Simon Stevens to act as attorneys for William N. McIntyre, John C. Mather, Francis M. Bixbey, and James B. Craig. Copies of the contract and power of attorney I submit herewith.

The following are the papers submitted :

TREASURY DEPARTMENT, *March 5, 1862.*

SIR: In compliance with the resolution of the House of Representatives of the 31st ultimo, I have the honor to transmit herewith copies of contracts made by Augustus Schell, the then collector of customs, with the approbation of the Secretary of the Treasury, with William N. McIntire and others, bearing date the 6th of August and 1st October, 1859, for packing, receiving, distributing, opening, closing, and delivering packages containing goods, wares, and merchandise imported into the port of New York; also a copy of a bond of Theodore Payne and John C. Schumaker to the United States, dated 26th August, 1859.

In reply to the second branch of this resolution of the House of Representatives, I send a copy of a letter from Hiram Barney, collector of customs, New York, in which it is stated that the labor is performed under the direction of Francis M. Bixby, one of the original contractors, and the weekly payments are

made by Luther B. Wyman and Simon Stevens, as attorneys of William N. McIntire, John C. Mather, F. M. Bixby, and James B. Craig, the original contractors.

And further that the stores where the goods are stored upon which the labor is performed under the contract referred to, are owned by Asa Fitch, but are leased to the government by Sturgis, Shaw & Co. at an annual rent of \$55,000.

With great respect,

S. P. CHASE,
Secretary of the Treasury.

Hon. G. A. GROW,
Speaker of House of Representatives.

TREASURY DEPARTMENT,
Office of Commissioner of Customs, February 5, 1862.

SIR: I have the honor to transmit herewith copies of contracts made by Augustus Schell, the then collector of customs, New York, with the approbation of the Secretary of the Treasury, with William N. McIntire and others, bearing date the 6th of August, and 1st October, 1859, for packing, receiving, distributing, opening, closing, and delivering packages containing goods, wares, and merchandise imported into the port of New York, furnished in pursuance of a resolution of the House of Representatives of the United States, dated the 31st January, 1862; also copy of a bond of Theodore Payne and John G. Schumaker to the United States, dated 26th August, 1859.

I have the honor to be, your obedient servant,

N. SARGENT,
Commissioner of Customs.

Hon. S. P. CHASE,
Secretary of the Treasury.

CUSTOM-HOUSE, *New York, March 1, 1862.*

SIR: The copies of contracts between McIntire and others and the United States for performing labor, &c., at the appraisers' stores, which were enclosed in your letter of 15th ultimo, have been carefully compared with the originals, and are herewith returned, together with a copy of the power of attorney from the contractors to Luther B. Wyman and Simon Stevens. There are no other documents in this office relating to the matter. As stated in my letter of the 12th ultimo, this contract has no reference to labor on "general order" goods, which is always performed, at the expense of the importer, by the proprietor of the warehouse where the goods are stored.

Very respectfully, your obedient servant.

HIRAM BARNEY, *Collector.*

Hon. S. P. CHASE,
Secretary of the Treasury.

Contract between William N. McIntire and others and the United States of America.

This indenture made this twenty-sixth day of August, in the year one thousand eight hundred and fifty-nine, by and between William N. McIntire, John C. Mather, Francis M. Bixby, and James B. Craig, parties of the first part, and Augustus Schell, collector of the port of New York, acting for and in behalf of

the United States, with the approbation of the Secretary of the Treasury, party of the second part, witnesseth : Whereas it is desirable to reduce the expenses of labor and laborers at the United States appraisers' stores in Broad street, or such stores as may from time to time be known as such, in packing, receiving, distributing, opening, closing, and delivering packages containing goods, wares, and merchandise imported into the port of New York, so far as a due regard for the interests of the government and the importer will permit :

And whereas the said William N. McIntire, John C. Mather, Francis M. Bixby, and James B. Craig, parties of the first part, propose to furnish such labor and laborers, and perform such services, and to pay the expense of transporting said merchandise to said stores for the sum of one hundred and thirty-seven thousand (137,000) dollars per annum, payable weekly in equal weekly payments of two thousand six hundred and thirty-four and sixty-one one hundredths ($2,634\frac{61}{100}$) dollars :

Now, therefore, the parties of the first part, for and in consideration of one dollar received by them from the party of the second part before the delivery hereof, and in consideration of the several and mutual covenants and agreements herein contained, on the part of the party of the second part, to be paid, done, and performed, have, and by these presents, for themselves, their heirs, executors and administrators, do covenant, promise, and agree to and with the party of the second part and with his successors in office and assigns, that for and during the term of three years, from the fifth day of September, one thousand eight hundred and fifty-nine, and for, and during the existence of this contract, and while the same shall be and remain in full force and virtue binding and obligatory upon the parties hereto, the parties of the first part will furnish, employ, and pay at their own sole cost all the labor and laborers which may be at any and all times necessary for the purpose of receiving, storing, and delivering all goods, wares, and merchandise which may be received at the stores in Broad street, now occupied and used by the United States appraisers, or any stores which may, during the continuance of this contract, be occupied and used by said appraisers for the examination and appraisalment of imported goods, wares, and merchandise by virtue of the revenue laws of the United States ; that they will take the packages from the carts and drays, and will place and distribute said packages in such parts of said stores as the party of the second part or the United States appraisers may direct for the convenient examination of said packages, and will open the same for such examination by said appraisers, and will repack and close the same when examined, and will, under the directions of the said party of the second part, deliver to the importer said goods, wares and merchandise when duly permitted, or transfer the same to such bonded warehouse as may be ordered by the party of the second part, and furnish carts and cartmen for such transfer or delivery, the expenses of such transfer or delivery being chargeable on goods so transferred or delivered ; that they will furnish carts and cartmen, and transfer all goods ordered by the party of the second part from bonded warehouses to said stores in Broad street ; and that they will pay all such incidental expenses as may be incurred in keeping in repair the hatchways, the floors, stairways, ceilings, and other portions of the stores now used by said appraisers, or which may, during the continuance of this contract, be used by them for the purposes aforesaid, and all other incidental expenses as may be incurred at said stores, and will perform any other labor or service which the prompt and efficient receipt, examination, and delivery of goods, wares, and merchandise at said stores may, in the opinion of said party of the second part, require.

And the parties of the first part further covenant and agree, as aforesaid, to employ no laborer in said stores whose integrity or general conduct shall or may be objectionable to the party of the second part, or to the United States appraisers.

The party of the second part shall retain the entire possession and control of said stores, and the custody of said goods, wares, and merchandise as required by law, and shall, under the authority of the Secretary of the Treasury, appoint such officers as may be necessary to keep an account of the goods, wares, and merchandise received and delivered at said stores, at the expense of said party of the second part in conformity with the regulations of the Treasury Department.

The parties of the first part further agree to and with the party of the second part that they will pay the costs of transportation of all goods ordered to said stores for examination for and during the existence of this contract.

And the party of the second part, as collector of the port of New York, for and in consideration of the premises, and of the several mutual covenants and agreements herein contained on the part of the parties of the first part to be paid, done, and performed, has, and by these presents, for himself, his successors in office, and assigns, does covenant, promise, and agree to and with the parties of the first part, and with their heirs, executors, and administrators to pay them the sum of one hundred and thirty-seven thousand (137,000) dollars per annum the due proportion of which amount, to wit: two thousand six hundred and thirty-four sixty-one one hundredths ($2,634\frac{61}{100}$) dollars shall be paid to the parties of the first part on the last day of each week for and during the existence of this contract, and while the same shall remain in full force and virtue, and be binding and obligatory upon the parties contracting.

And it is further covenanted and agreed by the party of the second part that the said party of the second part will collect and receive from the owners or consignees of all goods, wares, and merchandise which may be sent to said stores for appraisement, without invoice, or for appraisement of damage, such sums as may be due on such goods, wares, and merchandise for labor and cartage, and will pay such sums so received to the parties of the first part on the last day of each week during the continuance of this contract.

The parties of the first part further covenant and agree to and with the said party of the second part that, in the reduction by them of the force now employed in said stores, the same shall be so reduced that a proportion of such reduction, not to exceed one-fourth part thereof, shall be made in each week for the four weeks succeeding the entering upon the execution of this agreement. And the party of the second part agrees to pay to the said parties of the first part, in addition to the sum hereinbefore agreed to be paid the sum of three thousand six hundred and six eighty-eight one-hundredths ($3,606\frac{88}{100}$) dollars, payable weekly, in four equal weekly payments of nine hundred and one seventy-two one-hundredths ($901\frac{72}{100}$) dollars each.

And the said parties of the first part further covenant and agree to and with the said party of the second part that, in the employment of laborers hereafter for said stores, they will pay them the same rate of compensation as has heretofore been paid to the laborers employed in the said stores.

And the parties of the first part further covenant and agree to and with said party of the second part that, in case of the loss or damage of any goods, wares, or merchandise which may be received at said stores through the unfaithfulness, negligence, or inattention of the said parties of the first part, or of persons employed by them in and about the execution of this contract, they will pay and satisfy the owner or owners of said goods, wares, and merchandise, all such loss or damage which may be so sustained, or to which they may be put by reason of such unfaithfulness, negligence, or inattention.

And the parties of the first part further covenant and agree that whenever any claim shall be made for compensation for any loss or damage, as aforesaid, the collector of the customs shall investigate the facts and circumstances of the case, and if he shall decide that the same occurred through the negligence, un-

faithfulness, or inattention of the said parties of the first part, or of persons employed by them, the said parties of the first part shall forthwith pay the amount so decided by the collector to be due to the owner or owners of the said goods, wares, or merchandise, unless the parties of the first part are dissatisfied with the decision of the collector. In such case, they may appeal to the Secretary of the Treasury, whose decision shall be final and conclusive, and the amount so decided by him to be due to the owner or owners of the merchandise for such loss or damage shall be forthwith paid by the parties of the first part; if not so paid, the amount shall be deducted from the weekly payments hereinbefore provided to be paid the said parties of the first part by the collector of customs. It is understood that any decision of the collector or Secretary of the Treasury, exonerating the parties of the first part, will not release them from any liability that may be legally decided against them by the courts.

And the parties of the first part further covenant and agree to and with the said party of the second part that he, the said party of the second part, may employ three persons, at the expense of said parties of the first part, to be placed in said stores at night, and have the care thereof, and to act as watchmen, to protect the goods, wares, and merchandise which may from time to time be placed and kept therein; the said parties of the first part to employ at least two persons to act as watchmen, to be stationed without said stores.

And the said parties of the first part do further covenant and agree to and with the said party of the second part that they will not communicate, either orally or otherwise, any information which they may obtain in the performance of this contract, or otherwise, to any person not attached to the customs or revenue, except such as may be necessary to aid merchants and others in the regular daily routine of business passing through the custom-house, and that they will not, nor will any person in their employ, accept or receive any fee, reward, or compensation from any person or persons, other than that allowed by this contract, for any service they, any, or either of them, or their employés, may render in and about the execution of this contract, or in the performance of any labor or services therein mentioned, or in anywise connected therewith.

And it is mutually stipulated and agreed that, in case the said parties of the first part shall fail to comply with any covenants and agreements herein contained on their part to be kept and performed, the party of the second part, or his successor in office, shall at his option terminate this agreement, or he may employ other persons to execute the same at the cost and expense of the parties of the first part.

And it is further mutually stipulated and agreed that the Secretary of the Treasury may, at any time within six months from the date of this contract, annul and terminate the same, if he shall see fit so to do, on paying to the parties of the first part, in consideration of expenses incurred by them, a sum equal to what they would have been entitled to for one month by virtue of this contract had the same continued in force. In witness whereof, the parties of the first and second parts have hereunto set their hands and seals the day and year first above written.

| | |
|----------------------|---------|
| WILLIAM N. MCINTIRE. | [L. S.] |
| JNO. C. MATHER. | [L. S.] |
| FRANCIS M. BIXBY. | [L. S.] |
| JAMES B. CRAIG. | [L. S.] |
| AUGUSTUS SCHELL, | [L. S.] |

Collector.

Sealed and delivered in the presence of—(the word “sixth,” 1st line, 1st page, written over an erasure; the words “fifth,” “September,” 14th line, 2d page, written over an erasure prior to the execution hereof)—

GEO. D. BAYARD.

TREASURY DEPARTMENT, *August 27, 1859.*

Approved.

HOWELL COBB,
Secretary of the Treasury.

Contract between William N. McIntire and others and the United States.

Memorandum of an agreement made this first day of October, A. D. 1859, between William N. McIntire, John C. Mather, Francis M. Bixby, and James B. Craig, parties of the first part, and Augustus Schell, collector of the port of New York, acting for and in behalf of the United States, with the approval of the Secretary of the Treasury, party of the second part.

Whereas the parties hereto did, on the 26th day of August, A. D. 1859, enter into an agreement, bearing date on that day, by which the party of the second part agreed to pay to the said parties of the first part the sum of one hundred and thirty-seven thousand dollars per annum, in equal payments of twenty-six hundred and sixty-one dollars and sixty-one cents, in consideration of the performance of certain covenants and agreements therein to be kept and performed by the said parties of the first part:

And whereas it has been agreed between the parties hereto to withdraw from the provisions of said agreement certain persons who have heretofore been paid as laborers, but who are, in fact, acting as clerks, messengers, and samplers, and in consideration thereof to reduce said annual payment from one hundred and thirty-seven thousand dollars to one hundred and twenty-three thousand dollars, to be paid in equal weekly payments of twenty-three hundred and sixty-five dollars and thirty-eight cents:

Now this agreement witnesseth, that the said parties of the first part do hereby covenant and agree to and with the said party of the second part, for and in consideration of the sum of one dollar to them paid, that they will well and truly keep, fulfil, and perform all and singular, the covenants and agreements on their part to be kept and performed according to the terms, provisions, and conditions of said agreement, with the exception of the payment of said persons so employed as messengers, clerks, and samplers, for the sum of one hundred and twenty-three thousand dollars per annum, instead of the sum of one hundred and thirty-seven thousand dollars, therein mentioned, payable in equal weekly payments of two thousand three hundred and sixty-five dollars and thirty-eight cents. And the party of the second part, in consideration of the premises, and of the covenants, conditions, provisions, and agreements to be kept, fulfilled, and performed by the said parties of the first part, except the payment by them of the laborers who act as clerks, messengers, and samplers, at said appraisers' stores, as therein mentioned and set forth, does hereby covenant and agree to pay to the said parties of the first part the sum of one hundred and twenty-three thousand dollars per annum, in equal weekly payments of two thousand three hundred and sixty-five dollars and thirty-eight cents, in lieu of the sum of one hundred and thirty-seven thousand dollars in said agreement specified. And the parties hereto do hereby ratify and confirm the said original agreement in all other respects.

In witness whereof, the parties of the first and second parts have hereunto set their hands and affixed their seals the day and year first above written.

| | |
|-------------------|---------|
| WM. N. MCINTIRE. | [L. S.] |
| JOHN C. MATHER. | [L. S.] |
| FRANCIS M. BIXBY. | [L. S.] |
| JAMES B. CRAIG. | [L. S.] |
| AUGUSTUS SCHELL, | [L. S.] |

Collector.

Sealed and delivered in the presence of—(the word three, on page 3, line 3 from top, written over erasure before the execution hereof; also the word “one,” page 1, line 15)—

G. HILLNE.

TREASURY DEPARTMENT,
October 8, 1859.

The within contract is approved.

HOWELL COBB,
Secretary of the Treasury.

BOND.

Theodore Payne and John G. Schumaker to the United States.

Know all men by these presents that we, Theodore Payne and John G. Schumaker, are held and firmly bound unto the United States of America in the sum of thirty thousand dollars, lawful money of the United States, for the payment of which, well and truly to be made to the United States, we bind ourselves, our heirs, executors, administrators, and assigns, jointly and severally, by these presents, as witness our hands and seals this 26th day of August, 1859.

The condition of this obligation is such, that if William N. McIntire, John C. Mather, Francis M. Bixby, and James B. Craig, or either of them, parties of the first part to a certain indenture made this 26th day of August, 1859, by and between the said William N. McIntire, John C. Mather, Francis M. Bixby, and James B. Craig, parties of the first part, and Augustus Schell, acting as collector of the customs, for and in behalf of the United States, and with the approval of the Secretary of the Treasury, party of the second part, shall well and truly keep and perform each and every covenant and agreement in said indenture specified, then this obligation to be void and of no effect, otherwise to remain in full force and virtue.

Signed, sealed, and delivered this 26th day of August, 1859.

| | |
|--------------------|---------|
| THEODORE PAYNE. | [L. S.] |
| JOHN G. SCHUMAKER. | [L. S.] |

In presence of—

G. W. CUMMINGS, as to J. G. Schumaker.

GEORGE D. BAYARD, as to Theodore Payne.

UNITED STATES OF AMERICA, *Southern District of New York, ss:*

On the depositions hereto attached I certify that the sureties to the above obligation are competent security for the performance thereof.

SAMUEL R. BETTS,
United States Judge, &c.

NEW YORK, *September 3, 1859.*

SOUTHERN DISTRICT OF NEW YORK, ss:

Theodore Payne, being duly sworn, says that he is a resident of the city of New York, in the southern district of New York, and that he is worth the sum of thirty thousand dollars (\$30,000) over and above all his just debts and liabilities.

THEODORE PAYNE.

Subscribed and sworn before me this 30th day of August, A. D. 1859.

[L. s.]

THOS. B. OAKLEY, *Notary Public*.

SOUTHERN DISTRICT OF NEW YORK, ss:

John G. Schumaker, being duly sworn, says that he is a resident of the city of Brooklyn, in the southern district of New York, and that he is worth the sum of thirty thousand dollars (\$30,000) over and above all his just debts and liabilities.

J. G. SCHUMAKER.

Sworn and subscribed before me this 31st day of August, A. D. 1859.

[L. s.]

CHARLES H. THOMSON, *Notary Public*.

POWER OF ATTORNEY, DATED MAY 11, 1861.

William N. McIntire, John C. Mather, Francis M. Bixby, and James B. Craig, to Luther B. Wyman and Simon Stevens.

Know all men by these presents that we, William N. McIntire, John C. Mather, Francis M. Bixby, and James B. Craig, all of the city of New York, for value received, have made, constituted, and appointed, and by these presents do make, constitute, and appoint, Luther B. Wyman and Simon Stevens, of the same place, our true and lawful attorneys, irrevocable for us and each of us, in the name, place, and stead of us, and each of us, to ask, demand, collect, and receive all moneys to grow due to us, or either of us, from and after this day, under or by virtue of a certain contract between us and Augustus Schell, collector of the port of New York, for the performance of labor at the public stores of the United States in the port of New York, dated August 26, 1859, and a certain other contract, supplemental thereto, between the same parties, and relating to the same subject, dated October 1, 1858, and to give full receipts, discharges, and acquittances for such moneys, and generally to do and transact all business arising under or connected with the said contracts, or our rights and duties under the same; hereby giving and granting unto our said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, as we jointly or severally, or either of us, might or could do if personally present, with full power of substitution and revocation; hereby ratifying and confirming all that our said attorneys or their substitutes shall lawfully do or cause to be done by virtue hereof.

In witness whereof, we have hereunto set our hands and seals the 11th day of May, in the year one thousand eight hundred and sixty-one.

| | |
|-------------------|---------|
| WM. N. MCINTIRE. | [L. s.] |
| JOHN C. MATHER. | [L. s.] |
| FRANCIS M. BIXBY. | [L. s.] |
| JAMES B. CRAIG. | [L. s.] |

Sealed and delivered in the presence of—(the words “due and,” on first page, erased, and the words “from and after this day” interlined, before execution)—

ROBERT J. MITCHELL.

STATE OF NEW YORK,

City and County of New York:

On this thirteenth day of May, in the year one thousand eight hundred and sixty-one, before me personally came William N. McIntire, John C. Mather, Francis M. Bixby, and James B. Craig, to me known to be the individuals described in and who executed the foregoing instrument, and severally acknowledged that they executed the same.

ROBERT MITCHELL,
Notary Public in New York City.

CUSTOM-HOUSE, *New York, February 12, 1862.*

SIR: I acknowledge the receipt of your letter of the 1st instant, enclosing a copy of a resolution of the House of Representatives having reference to the existing contract for labor, &c., performed at the appraisers' stores. You state that a copy of the contract will be furnished from the files of the department. It was made by my predecessor, with the approbation of the then head of the treasury, and expires on the 5th September next. It has no reference to "general-order" goods.

In regard to the second branch of the resolution, I have to state that no action has been taken by me on this contract.

The labor is performed under the direction of Francis M. Bixby, one of the original contractors, and the weekly payments are made to Luther B. Wyman and Simon Stevens, as attorneys of William N. McIntire, John C. Mather, F. M. Bixby, and James B. Craig, the original contractors.

The stores where the goods are stored, upon which the labor is performed under the contract referred to, are owned by Asa Fitch, but are leased to the government by Sturgis, Shaw & Co., at an annual rent of \$35,500.

I am, very respectfully, your obedient servant,

HIRAM BARNEY, *Collector.*

Hon. S. P. CHASE,

Secretary of the Treasury.

Question. What was the purport of the power of attorney?

Answer. To draw the money.

Question. What was given to the original parties to this contract for this transfer of it to Wyman and yourself?

Answer. Twenty thousand dollars, is my recollection.

Question. Who furnished the money?

Answer. I furnished one-half. For the other half, Mr. William Allen Butler gave his check.

Question. Tell us how much money in the aggregate has been paid over, under this contract, to Mr. Butler, or to his account, or to Mr. George W. Parsons, his law partner, for account of Mr. Butler.

Answer. Knowing, in connexion with Mr. Wyman, that this contract was taken from the government in good faith, and without fraud, and in every one of its particulars executed in the same good faith, I decline to state whether I made profit or loss in the conduct of my business.

Question. Do you decline to answer the question, how much, under this arrangement, has been paid to Mr. William Allen Butler, or to

his account, or to Mr. George W. Parsons, his law partner, for the account of Mr. Butler?

Answer. I decline, for the reason that the government has no right to inquire into my private affairs.

Question. You say you held this contract from May 11, 1861, until its expiration in September, 1862. State the net profits of that contract during that time.

Answer. As an answer to that question, I refer you to my previous answer.

Question. Do you or do you not decline to answer that question?

Answer. In that way, I do.

Question. To enable the government to ascertain whether the contract system is a better way to obtain the performance of this labor than the employment of men by the day by the officers of the custom-house, please state, in the first place, the amount received by you from the government, under the contract, between the 11th of May, 1861, and the expiration of the contract in September, 1862; secondly, the cost of executing that contract during that time; and thirdly, as a consequence of the two other questions, the net profits of the contract.

Answer. By the terms of the contract, the government was to give us at the rate of \$123,000 a year, payable weekly, which sum we received; and I will undertake to give bail to perform all the conditions stipulated in that contract for \$25,000 less than the sum therein paid. I consider the labor contract the cheaper and more safe mode for the government—cheaper, because, if in the hands of the collector, members of Congress and other individuals urge upon him the appointment of more men than are necessary for the performance of the work; and because, if he refuses, they might threaten him with congressional investigation. The cost of executing such a contract would depend upon the prudence of its management.

Question. What was the actual cost of executing that contract?

Answer. I decline stating, for the reasons already given.

Question. Do you know what it was?

Answer. I do not know now, without referring to my books.

Question. Can you tell by referring to your books?

Answer. I believe I could.

Question. Will you refer to your books and answer the question?

Answer. I will refer to my books. I desire time to reflect in reference to the above question until to-morrow morning.

The witness, at his own request, was here excused until to-morrow morning.

NEW YORK, *December 23, 1862.*

SIMON STEVENS recalled :

Question. Now, Mr. Stevens, we put to you the question we put yesterday. How much money, in the aggregate, has been paid over, under the labor contract, to Mr. Wm. Allen Butler, or to his account,

or to Mr. Geo. W. Parsons, his law partner, for account of Mr. Butler?

Answer. I have previously answered the question.

Question. Will you give any further answer to the question?

Answer. I refer to my answer above as a full answer to that question.

Question. Say whether you will give any further answer or not.

Answer. I decline to give any further answer than is stated above in my testimony.

Question. You say you held this contract from May 11, 1861, until its expiration, by its own terms; September 5, 1862. State the net profits of that contract during that time.

Answer. I repeat my former answer to the same question, which is as follows: Knowing, in connexion with Mr. Wyman, that the contract was taken from the government in good faith and without fraud, and in every one of its particulars executed in the same good faith, I decline to state whether I made profit or loss in the conduct of my business.

Question. Do you decline to give any further answer to the question?

Answer. I have no further answer to make.

The examination of the witness was here suspended by order of the committee.

NEW YORK, *December 22, 1862.*

ISAAC HENDERSON sworn:

Question. Where do you reside?

Answer. In Brooklyn.

Question. What is your business?

Answer. I am navy agent at New York.

Question. How long have held that office?

Answer. Since May, 1861.

Question. What amount of money have you received by virtue of your office during that time?

Answer. I have received at the rate of \$3,000 a year.

Question. State what other sources of revenue there is to you outside of your salary, if any.

Answer. I have received, perhaps, five or six hundred dollars thus far from certifying to certificates of persons who make bids, as to their responsibility.

Question. It has been the uniform practice in your office to receive those fees?

Answer. It has, so far as I am informed.

Question. How much do you charge each person?

Answer. The charge is not uniform; sometimes it is half a dollar, sometimes a dollar, and sometimes two dollars. Parties frequently do not ask what the charge is. It is an accommodation to them, and perhaps they will put down a dollar or two dollars for it.

Question. It will amount to from four to six hundred dollars a year?

Answer. About that.

Question. Have you had anything to do in relation to the chartering and purchasing of vessels?

Answer. No further than that I do sometimes charter vessels when they are desired for sending to the Gulf with provisions.

Question. Have you had anything to do with chartering vessels for the different naval expeditions?

Answer. Nothing at all.

Question. Do you know anything in relation to those charters?

Answer. I do not.

Question. State the general duties of your office.

Answer. I am almost entirely a disbursing officer. I pay for the vessels which are bought for the Navy Department at the port of New York. I pay all contractors' bills for goods delivered at this station.

Question. Your office is necessarily connected with the navy yard?

Answer. Yes, sir.

Question. Who makes the contracts for supplying this navy yard?

Answer. They are made by the different bureaus at Washington.

Question. You have no authority in the premises beyond paying the bills?

Answer. That is all, with the exception that I sometimes purchase needed articles which may have been omitted in the contracts. The contracts for supplies of the various navy yards are made by the bureaus in Washington.

NEW YORK, *December 23, 1862.*

GEORGE F. BETTS sworn :

Question. Where do you reside?

Answer. In this city.

Question. What is your business?

Answer. Clerk of the United States district court.

Question. Please state the amount of fees received by you during the years 1860 and 1861.

Answer. I present a statement which shows the amount. It is as follows :

Statement of fees and expenses in the clerk's office of the United States district court for the southern district of New York.

1860.

| | |
|---|------------|
| Copyright | \$2,355 65 |
| Admiralty, common law, per diem, and miscellaneous... | 7,393 98 |
| | <hr/> |
| | 9,749 63 |
| Expenses..... | 9,687 61 |
| | <hr/> |
| Surplus paid to government.. | 62 02 |
| | <hr/> |

1861.

| | |
|---|-------------|
| Copyright..... | \$1,411 50 |
| Admiralty, common law, per diem, and miscellaneous... | 8,607 77 |
| | <hr/> |
| | 10,019 27 |
| Expenses..... | 9,792 63 |
| | <hr/> |
| Surplus paid to government..... | 226 64 |
| | <hr/> <hr/> |

1862—*first six months.*

| | |
|---|-------------|
| Copyright..... | \$962 00 |
| Admiralty, common law, per diem, and miscellaneous... | 4,408 50 |
| | <hr/> |
| | 5,370 50 |
| Expenses..... | 5,032 05 |
| | <hr/> |
| Surplus paid to government..... | 338 45 |
| | <hr/> <hr/> |

Question. Are these the only amounts received by you?

Answer. Yes, sir.

Question. What is the limit of your salary?

Answer. \$3,500.

Question. Do you receive anything from confiscation of property, or from prize money?

Answer. Nothing.

Question. What is done with that money?

Answer. I receive clerk fees in those suits, as I do in other cases, but all the money from prize cases is paid into the United States treasury.

Question. You receive the fees allowed by law?

Answer. Yes, sir.

Question. And which you give the government credit for in your statement?

Answer. Yes, sir.

Question. I perceive that in 1860 you credited the government with \$2,355 65 for copyright. What does that mean?

Answer. I am required to specify and keep distinct the copyright from other fees.

Question. You specify, as another source of fees, "admiralty, common law, and miscellaneous," amounting to \$7,393 98, which with the other item amounts to \$9,749 63. Are those all the fees you received by virtue of your office during that time?

Answer. Yes, sir.

Question. You state the expenses at \$9,687 61. Of what items is that expense account made up?

Answer. The two larger items are my own salary, \$3,500, and clerk-hire, for which I am allowed \$5,500.

Question. What is that clerk-hire?

Answer. I have six clerks.

Question. Cannot you get along with less?

Answer. No, sir; I can hardly get along with that number.

Question. What is the salary of your respective clerks?

Answer. The highest, that of my deputy, is \$1,500; those of the others range along at \$1,200, \$1,000, \$720, and \$600.

Question. In 1860 how much surplus did you pay to the government?

Answer. \$62 02.

Question. In 1861 how much?

Answer. \$226 64.

Question. How much in 1862?

Answer. During the first six months of this year I paid \$338 45.

Question. Your business, then, must have greatly increased?

Answer. It has. That has been occasioned by the prize business. Besides the items of expense I have given you, are stationery, fuel, and matters of that kind.

Question. Who fixes the salaries of your clerks?

Answer. The Secretary of the Interior examined into that matter, and fixed the salaries?

Question. What Secretary of the Interior?

Answer. Secretary McClelland, of Michigan.

Question. Have the salaries remained as he fixed them ever since?

Answer. Yes, sir.

Question. How do these amounts of surplus, which you have stated you returned to the treasury yearly, compare with the amounts so returned during the preceding five years?

Answer. There has generally been a small surplus, but it has never before been as much as during the first six months of this year.

Question. Do you receive any emoluments of any kind whatever, by virtue of your office, except what you have already stated?

Answer. No, sir.

NEW YORK, *December 23, 1862.*

KENNETH G. WHITE sworn :

Question. Where do you reside?

Answer. In New York.

Question. What is your business?

Answer. I am clerk of the circuit court of the United States for the southern district of New York.

Question. What amount of money has been received by you as compensation during the years 1859, 1860, and 1861?

Answer. I have here a statement which shows the amounts of money received by me by virtue of my office during those years, and I submit it as a part of my testimony.

The following is the statement :

Kenneth G. White's statement, semi-annually, for the years 1859, 1860, and 1861.

From January 1 to June 30, 1859 :

| | |
|--|-------------|
| Receipts of office | \$3,600 80 |
| Disbursements, including clerk-hire | 1,270 11 |
| | <hr/> |
| | 2,330 77 |
| Maximum compensation | 1,750 00 |
| | <hr/> |
| Paid to assistant United States treasurer..... | 580 77 |
| | <hr/> <hr/> |

From July 1 to December 31, 1859 :

| | |
|---|-------------|
| Receipts of office | \$2,958 54 |
| Disbursements, including clerk-hire | 1,250 18 |
| | <hr/> |
| | 1,708 36 |
| Maximum compensation by law | 1,750 00 |
| | <hr/> |
| Deficit..... | 48 64 |
| | <hr/> |
| Total paid into the treasury..... | 532 13 |
| | <hr/> <hr/> |

From January 1 to June 30, 1860 :

| | |
|--|-------------|
| Receipts of office, (earned and received)..... | \$3,413 50 |
| Disbursements, including clerk-hire | 1,357 05 |
| | <hr/> |
| | 2,056 45 |
| Maximum compensation by law..... | 1,750 00 |
| | <hr/> |
| | 306 45 |
| | <hr/> <hr/> |

From July 1 to December 31, 1860 :

| | |
|---|-------------|
| Amount earned and received | \$2,870 64 |
| Disbursements, including clerk-hire | 1,353 48 |
| | <hr/> |
| | 1,517 16 |
| Maximum compensation by law..... | 1,750 00 |
| | <hr/> |
| Deficit..... | 232 84 |
| | <hr/> <hr/> |

| | |
|---|-------------|
| June 8, 1861.—Deposited with assistant treasurer surplus earnings of 1860. | 109 06 |
| | <hr/> <hr/> |

From January 1 to June 30, 1861:

| | |
|---|------------|
| Amount earned and received..... | \$3,180 17 |
| Disbursements, including clerk-hire | 1,377 06 |
| | <hr/> |
| | 1,803 11 |
| Maximum compensation by law..... | 1,750 00 |
| | <hr/> |
| | 53 11 |
| | <hr/> |

From July 1 to December 31, 1861:

| | |
|---|------------|
| Amount earned and received..... | \$3,151 06 |
| Disbursements, including clerk-hire | 1,465 67 |
| | <hr/> |
| | 1,685 39 |
| Maximum compensation by law | 1,750 00 |
| | <hr/> |
| | 64 61 |
| | <hr/> |

| | |
|----------------------------------|----------|
| Paid into the treasury 1859..... | \$532 13 |
| Paid into the treasury 1860..... | 109 06 |
| | <hr/> |

| | |
|---------------------------------|--------|
| | 641 19 |
| Deposited in treasury 1861..... | 11 50 |
| | <hr/> |

| | |
|---|--------|
| Total amount paid into the treasury in three years..... | 619 69 |
| | <hr/> |

Question. What is the amount of your salary?

Answer. \$3,500.

Question. Does this statement show a full and correct account of all moneys you have received, and the surplus you have paid to the government?

Answer. Yes, sir.

Question. Have you received any other moneys in any way, shape, or manner, by virtue of your office, during that time?

Answer. No, sir.

Question. How many clerks have you?

Answer. Three.

Question. How much are they allowed?

Answer. Up to the 1st of January, 1860, I think it was, the amount allowed me was \$1,750 a year, though I actually paid out for that purpose that year \$1,916. I then made application to the Secretary of the Interior, Mr. Thompson, to allow me an increase, and \$500 more was allowed, which made the whole allowance up to \$2,416 a year.

Question. Who fixes the number of clerks you have?

Answer. The Secretary fixes the amount to be allowed for clerk-hire, and leaves me to procure clerks as best I can.

Question. And you fix the prices paid to them?

Answer. Yes, sir.

Question. Does what you have charged in your statement as expenses of your office include clerk-hire?

Answer. Yes, sir.

Question. And that amount has been actually paid for that purpose?

Answer. Yes, sir.

Question. Do you receive any emoluments from any source whatever, as clerk of the court, except those contained in your statement?

Answer. No, sir.

Question. Do you in your official capacity?

Answer. I do not.

NEW YORK, *January 2, 1863.*

SAM'L CHURCHMAN sworn :

Question. State your present residence.

Answer. Burlington, New Jersey.

Question. Have you any information in relation to the purchase of vessels by the War Department for transportation and other purposes?

Answer. Yes, sir. Not by contract with the War Department, but through Mr. John Tucker.

Question. From what time does this knowledge bear date?

Answer. I think from May, 1861.

Question. With what person connected with the government, or acting for the government, did you first have any communication in regard to this matter?

Answer. I will state, in the first place, that in April, 1861, I went to Washington with a letter from E. Walter to the Secretary of the Navy, and also a letter from Hon. Hiram Walbridge. The following are the letters :

“ OFFICE OF THE MERCANTILE MUTUAL INSURANCE COMPANY,

“ *New York, April 6, 1861.*

“ The bearer, Samuel Churchman, has been known to me personally for some years past. From his great experience in the freighting and vessel business, both in this country and elsewhere, (having visited many ports in Europe, South America, West Indies, &c.,) he has acquired a general knowledge of business, which, combined with much energy and ability, would, in my opinion, qualify him to serve your department acceptably in the procurement of vessels to transport supplies for the use of the government.

“ Very respectfully,

“ ELWOOD WALTER.

“ Hon. GIDEON WELLES,

“ *Secretary of the Navy, Washington.*”

“ NEW YORK, *April 23, 1861.*

“ DEAR BROTHER: This will serve to introduce to you my friend, Samuel Churchman, of Burlington, New Jersey, who goes to Washington city to-day, and is in some way connected with the present administration. If you can in any way serve him, do so.

“ Mr. Churchman has most extended experience in ship matters, and brings to the discharge of any trust ability, integrity, and a thorough business education. Any assistance rendered him will be appreciated by your brother,

“ H. D. WALBRIDGE.”

Question. State how you became acquainted with Mr. Tucker.

Answer. A mutual friend of Mr. Tucker and myself, John B. A. Allen, told me that in conversation with Tucker he had recommended Tucker to send for me as a person familiar with steamers, which he was not, and that I might save him some trouble if he would listen to my advice. A few days after that Mr. Allen went up to introduce me to Mr. Tucker. Mr. Tucker received me courteously, and invited me into his private office. He said he did not know as he could do anything for me in particular, but if I could be of any service to him he would be obliged to me. I told him that I did not seek compensation, but at the same time if, after he found that I could get vessels of the same quality and capacity at forty per cent. less than he was paying, he thought I had earned a brokerage, I would be glad to take it. I told him I thought he was paying about that much more than a fair value, and that I was willing to base my compensation upon that standard. At that time Mr. Tucker considered himself an agent of the department, and supposed he would have a commission from the government instead of from the ship-owners. He never exacted, but refused to take, commissions from the owners of vessels. So much noise had been made about the purchases of Mr. Morgan, and his commissions, that he thought that out of the question.

I made repeated visits there, and Mr. Tucker was in the habit of reading me letters which he had received from different parties. Among others, I recollect distinctly a letter from Thayer & Peabody, offering him the Eastern State for \$50,000. I told him I knew her history; that she was a miserable affair at best; had had hard running, was losing money; that I had no doubt she would be sold low, and that I was certain she was not worth over \$25,000. He refused at that time to buy her, as he told me. Subsequently, when Burnside's expedition was fitting out, he showed me a letter from Burnside—an open letter—which Thayer & Peabody had sent to Tucker, urging him to buy the boat for \$40,000. Tucker remarked that he was of no use as agent while he was positively ordered to make such transactions as that. He bought the boat, but I think he got it for less in consequence of that conversation. He told me he did not intend to give over \$30,000 for her, after what had passed, but he might be compelled to give more.

I was about to say that the result of my interview with Tucker was, that on the 11th of September he wrote me a note, in which he told me he expected he should want some vessels in a few days; that he had just purchased two vessels in New York, which was the extent of his orders at that time, but that he expected in a few days an order for a large number, and asked me to bring him the names of such vessels as I thought suitable. I did so, and mentioned the names of several boats. He said he had not received positive orders; that he was going to Washington that day, I think. I then mentioned to him that there was one boat in the vicinity of Philadelphia—the Suwanee—which, if he thought necessary, I would go down and look at. I went down to look at her, and on that trip I met Mr. Tucker on the cars returning from Washington. I got on the cars at Wilmington. He seemed very much annoyed, and said he had been very badly treated; that

he had been invited to General Scott's quarters to an interview relating to the fitting out of these vessels, and that General Scott having made some remarks about the quality of the vessels and the depth of water they should draw, General Sherman interposed, with the remark that it was too late to make remarks about the draught of the vessels; that he was commander, and had thought it necessary to send his quartermaster, Saxton, to New York, and that Saxton had advised him that he had taken up all the vessels to be had.

I called upon Mr. Tucker a day or two after, and asked him for a list of the prices paid for those vessels. He handed me a list. I said it was a shocking business, and he consoled me by saying there was one consolation, and that was that they were all taken for a very short period, not to exceed 21 days. I then called his attention to the fact that Sturges had asked me to charter the Cahawbee of him, and stating that the government could have her for a limited period for \$600 a day, or for a lengthened period at the rate of \$12,000 per month, which was really a fair price, as she was a large and burdensome ship. When he gave me the list I looked over it and made a memorandum of what I thought, based upon my familiarity with ships and my experience in chartering them, would be a fair price for the ships. Two or three weeks after that, and after repeated conversations with Tucker, he gave me a note to Secretary Cameron, which is as follows:

“PHILADELPHIA, *October 28, 1861.*

“DEAR SIR: This will be presented to you by Mr. Samuel Churchman, of this city, who is very familiar with transportation by sea, which business he thoroughly understands; and he desires an opportunity to submit his views to you, especially with reference to the army movements by water, on which subject you will find him most intelligent.

“Yours, very respectfully,

“JOHN TUCKER.

“Hon. S. CAMERON.”

I went to Washington with that note, and failed to get access even to Mr. Scott, Assistant Secretary of the Navy. I returned, and mentioned to Mr. Tucker that it was all nonsense for me to try to do anything, and he said that appeared to be the way matters went. He mentioned also to me that young Mr. Roberts had been down to Washington, and telegraphed to his father that Mr. Scott had told him that the wants of the government would embrace everything that was in existence, or something to that effect; and, said Tucker, “What can you expect after that but that just what they choose to ask we give, and nothing less.” Mr. Tucker was so annoyed at this thing that at one time he wrote a letter to Secretary Cameron tendering his resignation—which letter he read to me—stating that he was placed in a false position; that these things were going on continually without his having the power to prevent them. I had repeated conversations with Mr. Tucker, the last of which was at the Astor House, New York. He then told me he was about to charter those three steam-

ships running between Philadelphia and New York. I inquired what price he was to pay. He said that Mr. Perkins, the agent, was indignant; that the Boston had earned \$40,000 already; that he would not stir until that was paid, and then the government must take the vessels for ninety day at \$2,400 a days, or it should not have them at all.

A day or two after that I went to Philadelphia and mentioned this circumstance to Henry W. Workman, and he replied, "That is very remarkable; I have been trying for a long time to charter those boats to the government for \$1,200 a day. The owners also authorized me to sell them at a fair price to the government."

In reply to Mr. Tucker I said, "Why do you not seize the boats?" He said that he had telegraphed to General Meigs that the prices were excessive, and had received, in reply, that the government could not wait, and they must have the vessels. He said there was no help for it, as transports were wanted. I said, "Tucker, you can get transports." He said, "I cannot get transports; they are not to be had, and if you know how to do it, I would like you to show me." I went down to the office of Mr. Kunhardt & Co., and told them our War Department was short of transports; that troops were waiting, and asked them if they would not like me to offer one of their boats—the Saxon. After some refusal, in the course of fifteen or twenty minutes I told them I thought it would be a benefit to them hereafter to offer this courtesy, and they did so. I took Tucker down, at his request, and introduced him to them. That boat was about 3,000 tons, British measure, with very extensive facilities for cooking, and was commanded by an old Crimean captain, which was the reason I was so anxious to get her. Tucker then said he would telegraph immediately to Washington to General Meigs, offering the boat, and would let the parties know that afternoon at five o'clock. From that time to this he never has informed them. I waited three or four days, and persuaded them to hold the matter open. I went to Philadelphia, went to Tucker's house, and tried to get an answer, but could not, and was obliged to inform Kunhardt & Co. that I could do nothing.

The same morning I also went to Francis McDonald & Co., of this city, agents of a line of Scotch boats, and they offered to the government the United Kingdom, which was then off Cape Race; stop her at Portland; take out her New York goods; take on board the 12th Maine regiment, and take them to New Orleans without delay. Mr. McDonald telegraphed me in Philadelphia immediately upon the arrival of the boat in Portland. I called to see Tucker, and he had gone to Washington, I think. I went on to Washington, and found he had returned. I am not positive as to the exact time. However, in the cars, coming up, I met General Butler, and mentioned to him the circumstance that his expedition was a long time getting out, and called his attention to this United Kingdom. He said he was suffering for want of transports, and urged me to go and see Tucker. I went and saw Tucker at his house Sunday morning in Philadelphia. Tucker said it would do no good for him to act; that he could do nothing except what he was ordered to do, no matter how cheap or applicable an offer might be.

Question. What did you understand from that reply?

Answer. That General Meigs was the man to say what should and what should not be taken.

Question. Did you understand that Tucker had no discretion?

Answer. I so understood.

Question. What answer did he get from General Meigs?

Answer. In this case it was to take that boat, but he never got any answer as to the Saxonía.

Question. Did Tucker give as a reason for not chartering the Saxonía that he had no instructions?

Answer. He said he had no authority to take it, but that he would telegraph to Washington for instructions. He did say he thought the price asked for the Saxonía was too high.

Question. How much was the price?

Answer. \$2,000 a day. She was peculiarly situated, a very expensive boat, very large, very fine, and could be all the time running. I stated to him that she was coming out of a trade in which she was making very nearly that, but because the winter passages were very dangerous they would take her out of that trade. The owners were to furnish coal and everything, and keep her in good order, with a full crew. I remarked to him that it was rather a high price, though by comparison it was a low one.

Question. What do you know about the tow-boat Yankee?

Answer. She was owned by Russel Sturges and an association of persons. She was hired at \$500 a day, double what she was worth, and afterwards bought by the government.

Question. What was the value of this tug-boat?

Answer. They estimated her to be worth about \$25,000. I think they sold her to the government for \$28,000.

Question. How much charter money did she earn before she was bought by the government?

Answer. I think one of the owners told me that she had had about \$10,000 charter money when she was sold to the government.

Question. Do you know anything about the tow-boat Uncle Ben?

Answer. I think she was chartered at \$300 a day to go to Charleston, and the government was to pay \$12,000 for her if lost or destroyed. She never reached Charleston, but put into Wilmington, North Carolina, in distress, where she was captured by the rebels.

Question. How much did the government pay for her?

Answer. \$12,000.

Question. What do you know about the steamships Philadelphia and Empire City?

Answer. I am familiar with both of them, having been to sea in each of them. They were built in 1848 and 1849, and were part of the assets of the United States Mail Company. They were sold at auction some five years ago.

Question. For whose benefit?

Answer. For the United States Mail Steamship Company.

Question. By whom were they purchased?

Answer. Marshall O. Roberts.

Question. About how much did they bring?

Answer. I think one brought \$10,500, and the other \$12,000, not over \$23,000 for both. The *Star of the West* was sold at the same time.

Question. What became of them afterwards?

Answer. They were laid up a long time, and were considered unfit for service.

Question. Were they afterwards purchased or chartered by the government; and if so, by whom, and at what price?

Answer. I think the first charter was made by Mr. Weed when the capital was in danger at the first breaking out of the rebellion. He chartered a large number of vessels very suddenly without fixing any price. I recollect Tucker told me that one reason these vessel-owners were so demoralized, was that the vessels had been taken at first without any bargains at all, it being understood that Moses H. Grinnell was to fix the price. That was for a short, rushing, hurried voyage. I remarked to Tucker, when one of these expeditions went out, that it was a shame to put such boats as the *Philadelphia* and *Empire City* to transporting troops; that if he would look at the standing of these ships in the *American Lloyds*, he would see that they were not fit for the transportation of soldiers. He said it was impossible to keep track of these transactions; that before he knew anything about it, one quartermaster would charter half a dozen ships, and before he could turn round, another would charter half a dozen others. He said there was no concert of action. I believe he was truly desirous to do everything as it should be done.

Question. You have stated what Roberts gave for the *Empire City* and *Philadelphia*. What did the government charter or buy them for afterwards?

Answer. They were chartered, I understand, for \$1,500 and \$1,700 a day, but I cannot swear to the fact.

Question. How much did the charter money amount to?

Answer. I do not know exactly, but I am inclined to think it was over \$300,000 for both.

Question. Do you know anything about the *Illinois*?

Answer. Yes, sir; she is a very fine ship. I think she was in the Sherman expedition.

Question. Who chartered her to the government?

Answer. Mr. Roberts.

Question. For how much?

Answer. About \$1,700 a day.

Question. How much charter money did she earn?

Answer. A very large sum.

Question. Did Roberts sell or charter any other boats to the government?

Answer. Yes, sir. He sold the *Winfield Scott* and the *Union* to the government.

Question. For how much?

Answer. \$100,000 each, and one was totally lost and the other condemned a few days after they went to sea.

Question. Do you know anything about the steamer *Coatzacoalcas*?

Answer. She was a British-built steamboat that was brought from

the lakes and naturalized by an act of Congress for the Tehuantepec Company. The company failed, and Mr. Roberts became the owner of her. I think I first saw her at Annapolis, landing the 69th regiment.

Question. What was she paid for her services?

Answer. I do not know what she was paid at that time. She received \$1,300 a day in the Sherman expedition for a long time. She came near losing a regiment in that expedition, and was entirely unfit for the service.

Question. Where is she now?

Answer. She is now running between Nicaragua and New York.

Question. Is the "magnificent new steamship America," as advertised, the same as the old Coatzacoalcos?

Answer. Yes, sir; and I saw her original hog-frame sticking out from her upper deck.

Question. Is she in the government employ at this time?

Answer. No, sir. She has, however, had so much work put upon her that she is now a very fair ship for the coasting trade.

Question. What do you know about the Star of the South?

Answer. She was built in Philadelphia, and is about ten years old now.

Question. Where is she now?

Answer. She has just arrived in New York.

Question. Is she owned by the government?

Answer. I do not know.

Question. From whom was she chartered?

Answer. Samuel L. Mitchell.

Question. At what rate?

Answer. Tucker told me it was \$900 a day for that expedition.

Question. What do you know about the Oriental?

Answer. She is a fine new iron ship. Her owners told me she cost \$150,000.

Question. What of the Matanzas?

Answer. She is a splendid boat of 873 tons, and worth about \$100,000.

Question. Was she chartered to the government?

Answer. For a long time.

Question. At what rate?

Answer. I think it was \$900 a day. The list of charters which Mr. Tucker gave me I have lost, but I know we had some conversation about that boat. I came to New York to see her, and they had put up her price to \$150,000. I advised Tucker not to take her. She cost about \$105,000.

Question. Was she worth \$100,000?

Answer. Yes, sir.

Question. What charter money has she earned?

Answer. I do not know, but my impression is that she has earned about \$200,000.

Question. What do you know concerning the Mayflower and Osceola?

Answer. The Mayflower is an old Boston and Nahant steamboat. I know she was an old and comparatively worthless boat.

Question. What was she worth?

Answer. There was a difference of opinion about her value. Collier put some repairs upon her, and she may be worth, with the repairs, \$12,000. She was chartered to the government for \$400 a day.

Question. For how long a time?

Answer. I do not know. She was in service several months. I do not know anything about the Osceola except from seeing her lying in New York.

Question. What became of her?

Answer. She was chartered by Colonel Tompkins of Mr. Spofford for \$400.

Question. What do you know about the Boston, Delaware, and Cosmopolitan?

Answer. Those boats are now in the government employ. One of those boats, the Boston, had already earned \$40,000, and was chartered by Mr. Tucker, Assistant Secretary of War, for ninety days, for \$216,000, making her earnings altogether \$256,000, although the entire value of the boats was far less than that sum, and though the owners had offered them at reasonable rates. Mr. Tucker admitted to me that the transaction was infamous, but said General Meigs's orders were positive. Mr. Tucker has been Assistant Secretary of War a year, and these boats are still in government employ.

Question. What do you know of the Suwanee?

Answer. She was formerly the fillibuster Pampero, worth not over \$10,000. She laid in Wilmington about seven months. I went down and examined her, and reported her quality and condition to Mr. Tucker, and to my astonishment I learned that a friend of mine in Philadelphia, a tobacco dealer, entirely ignorant of the value of vessels, had obtained the refusal of her from the owners, and chartered her to Mr. Tucker for \$60,000 for four months' service. She received \$65,000, and made money by officers and in the ways usual to vessels in the government employ, and, if report says correctly, is serving the country in the Banks expedition.

Question. What do you know about the Salvor?

Answer. I only know that she was sold at auction in Philadelphia by order of the Navy Department, she being one of the prizes. She was bought by Thomas Clyde for \$12,000. She has been a long time under charter, and is now in the employ of the government.

Question. At what rate?

Answer. I do not know. I was told that she got \$12,000 a month. At that rate she would make a great amount of money.

Question. From your knowledge of the transactions of the government touching the purchase and chartering of vessels, can you state whether they have been favorable to the government or otherwise?

Answer. I think an investigation would prove that there has been at least \$25,000,000 paid more than was necessary.

Question. From what do you make up that judgment?

Answer. From the chartered and purchased vessels I am acquainted with, and the enormous sums wasted there to my certain knowledge.

NEW YORK, *January 2, 1863.*

C. S. FRANKLIN sworn :

Question. Please state your official position.

Answer. I am deputy naval officer of the port of New York.

Question. What do you know in relation to the seizure of the goods of C. Paturel & Co. ?

Answer. I am reminded by the notices of seizures in the office that such a seizure was made ; and I recollect it perfectly, after looking over the papers.

Question. What do you know in relation to the circumstances of that seizure ?

Answer. Only that it was referred to me for adjustment by Mr. Dennison, the naval officer who had been in communication with Mr. Averill, the counsel of the parties. I then caused Mr. Averill to sign the usual document, being an acknowledgment of forfeiture, with a request that he might pay the amount to the collector, in order to save the expense of condemnation. That was a matter entirely within his own volition. He being unfamiliar with the matter, I submitted to him that he could either confess the forfeiture, and pay the amount into court, or upon a written request to the collector, he could pay the same to the collector, as was most usual in cases where so small an amount was involved.

Question. Do you know the reasons why this seizure was made ?

Answer. It was made because of an advance by the United States appraiser of thirty per cent. over the invoice prices.

Question. What is your practice, under the direction of the Treasury Department, in relation to such advances ?

Answer. To consider an advance of over twenty per cent. as a just cause of seizure, though an examination may, in some cases, lead us to the conclusion that no fraud was intended or perpetrated. Sometimes a reappraisement may obviate the difficulty.

Question. Have you any instructions upon that head from the Secretary of the Treasury ?

Answer. Yes, sir ; that we are to consider an advance by the United States appraiser of twenty per cent. as *prima facie* evidence of fraud. The collector is positively instructed to make seizures in such cases.

Question. How much money was received in this case ?

Answer. The sum of \$450 was received, that being the appraised value of the goods—the home valuation. That home value was arrived at by the United States appraisers, under the direction of the collector, by his deputy. That home value exceeded the invoice value thirty or forty per cent.

Question. In making the payment of the full amount of the reappraisement in this case, to whom was that payment made, and what were the circumstances attending it ?

Answer. The payment was made to G. D. Bayard, the clerk having charge of the seizure bureau, and he transmitted the amount immediately to Mr. Ogden, the auditor. The amount paid was the home value of the goods. That is what the appraisers supposed the goods would bring if exposed to public sale here ; in other words, all that the United States could possibly realize if the goods were condemned before a court and sold by the marshal.

Question. Was any receipt given?

Answer. No, sir; we do not give receipts for moneys paid for duties.

Question. Do you know particularly how the payment was made in this case?

Answer. As he did not know the place where the bureau was located, I accompanied him there, and there he paid it to the clerk in charge of that bureau, G. D. Bayard, and by him it was transmitted to Mr. Ogden, the auditor.

Question. Did you go out and get any of the money changed into gold?

Answer. I did not.

Question. Mr. Averill, the attorney for Paturel & Co., speaks in his evidence about asking for a receipt; state what the practice of the office is in regard to that matter.

Answer. We never give a receipt for duties paid in any case. All the documents are put on file, and they show the entire transaction. All the documents touching this transaction are part of the custom-house records.

Question. And in giving your testimony now, do you speak from the documents?

Answer. I speak from documents which I now have in my hands.

Question. What is the advantage or disadvantage to the government arising from this mode of settlement by the custom-house officers?

Answer. The advantage is, that in nearly, if not quite, all the cases the government receives more than it would were the matter settled by the courts. Delays ensue before the goods can be condemned, and they frequently depreciate in value. In addition, they are liable to loss in various ways by transmission from hand to hand.

Question. What as to the costs and expenses of settlement, where a case is carried to the court for adjudication?

Answer. Unless the goods realize full \$250, the government gets little or nothing. The fees of the clerk, marshal, and district attorney, very generally consume the entire proceeds.

Question. Under the mode of settlement by the custom-house officials, of cases even under \$250, does the government get a portion of the amount received?

Answer. The government gets one-half.

Question. How long have you been in the custom-house?

Answer. Continuously since 1841.

Question. During that time what has been the practice of the custom-house in regard to the payment of those small amounts? Have they usually been paid into court, or have they been paid in at the custom-house?

Answer. I consider our practice now what it has ever been since I have had any knowledge of the matter of seizures, which is about eight years. During all that time I think the practice has been uniformly one way, when requested by the claimant of the goods, or his counsel, and for small amounts.

Question. Which is the better practice, so far as the government is concerned, to pay the money into court, or to pay it to the collector?

Answer. Decidedly to pay it to the collector.

Question. Why?

Answer. Because it saves costs of suit and depreciation of goods

Question. Then this is no new practice recently inaugurated?

Answer. No, sir; not at all.

NEW YORK, *January 2, 1863.*

GEORGE DENNISON SWORN :

Question. Have you looked over the testimony of H. F. Averill, given December 19, 1862.

Answer. I have.

Question. Are there any matters in that testimony which you desire to explain?

Answer. I wish to say that my attention was drawn to this case of C. Paturel & Co. by a report from the appraiser's office of a large advance on the invoice price of the goods. I immediately took measures to have previous invoices examined. Upon that examination of the invoices I became satisfied that the practice of this party had been irregular and improper, and I therefore caused a warrant to be procured and lodged with the surveyor. The surveyor, with his aids, visited the premises of Paturel & Co. From the evidence procured there, I became convinced that this firm had been making out false invoices and lodging them with the officers of the custom-house. On examination I found there was but a small amount of property on the premises. The firm had been dissolved, and the parties who had been connected with Paturel had taken away most of the assets of the concern. I found that Paturel was not in very good circumstances. He confessed to me that his invoices were false, and that he had been practicing that thing for some time, though he had received but a small portion of the proceeds, and that the party who realized the most resided in Paris. He seemed very penitent and desirous that the matter should be adjusted. The parties detailed from the appraiser's office made a report which is on file. I reported to the collector through Mr. Stanton, his deputy, or the party in charge, the facts, and gave them my judgment as to what course should be pursued. There seemed to be no question about the facts, and the party consented to pay the appraised value of the goods. That was paid in the usual manner, and the vouchers for that, and of the entire transaction, are on the files of the custom-house.

I wish to say that Mr. Averill states what is not true in reference to Mr. Isaacs. I did not refer him to Mr. Isaacs. I referred him to Mr. Franklin, who is my special deputy, and has charge of all matters in my office, especially of seizures. He has for a long time been in the service of the government, and is an exceedingly able officer and upright man. He has been here through all administrations, and in my practice in relation to these matters I defer to Mr. Franklin, Mr. Clinch, Mr. Samuel G. Ogden, and Mr. H. B. Stanton, who are all able men, thorough revenue lawyers, and in every way, in my judgment, upright and competent to discharge the duties pertaining to those matters.

Question. Do you know of any cases which have been settled with parties charged with attempting to evade the revenue laws, outside of the usual way of making settlements of seizures; in other words, whether, when parties have been detected in attempting to defraud the revenue, there has been paid to any person or persons in or about the custom-house, or in any way connected with the collection of the revenue, what is called hushmoney?

Answer. I do not. In all matters connected with the seizure of goods, within my experience or knowledge, there are on file in the custom-house full records of all the transactions, and there was never, to my knowledge, a penny received by any one of the revenue officers without the consent of the others. In other words, I have never made a settlement without the full concurrence of the collector and the surveyor, either personally or by deputy.

Question. You state that all such settlements have been made in accordance with law, and upon papers and documents which form a part of the records of the custom-house?

Answer. Most assuredly. There never has been a case settled since I have had any knowledge of the custom-house in New York which has not been strictly in accordance with the laws and treasury regulations.

Question. And the terms of the settlement are all shown by the papers on file in the office?

Answer. Always; and in the first place, when the amount to be received is talked about, the preliminary step is the report of the appraisers, a co-ordinate branch of the revenue with the other heads of the department.

Question. Do you know anything in relation to this man Sabastine, mentioned in the testimony of Mr. Averill?

Answer. I received notice from the boarding officers, Messrs. Brown, Isaacs, and Archer, that they had made a seizure from the person of this man Sabastine. Sabastine came to the naval office, and in the course of my investigation confessed that he attempted to smuggle the goods on shore, and I deemed it proper that he should pay the appraised value of the goods. He did so, and the money was paid into the hands of the auditor, at the request of Mr. Sabastine.

NEW YORK, *January 2, 1863.*

CHARLES P. CLINCH sworn :

Question. Please state your official position.

Answer. I am deputy collector of the port of New York, in charge of the eighth division.

Question. How long have you been connected with the custom-house?

Answer. Since 1838.

Question. Under what collector did you first come in?

Answer. Jesse Hoyt.

Question. And you have been in through all the administrations ever since?

Answer. Yes, sir.

Question. Have you any particular knowledge in relation to seizures?

Answer. No, sir; I have never had any knowledge at all in relation to the seizures of the custom-house. I sometimes made seizures when I was acting collector.

Question. Have you any knowledge in relation to transactions growing out of seizures made?

Answer. No, sir; such information would not naturally come to my knowledge.

Question. Do you know of any cases which have been settled with parties charged with attempting to evade the revenue laws outside of the usual way of making settlements of seizures; in other words, whether, when parties have been detected in attempting to defraud the revenue, there has been paid to any person or persons in or about the custom-house, or in any way connected with the collection of the revenue, what is called *hushmoney*?

Answer. No, sir.

Question. Were you situated so as to know if any such transactions were going on?

Answer. No, sir.

Question. Your duties do not appertain particularly to that branch of the business?

Answer. No, sir. Since 1855 my duties have related to conducting the correspondence with the department.

Question. In discharging the duties you have been performing in the custom-house, if it had been the practice of parties connected with the collection of the customs to receive amounts as *hushmoney* from persons suspected with defrauding the revenue, would you have been likely to have known it?

Answer. No, sir. Such knowledge would not be likely to come to me. I have never, during my whole service in the custom-house since 1838, heard of a single case of that kind.

NEW YORK, *January 3, 1863.*

AMOS CLARK SWORN :

Question. Where do you reside?

Answer. I am now stopping in this city, but my residence is Elizabeth City, New Jersey.

Question. Have you had any contracts with the government?

Answer. Yes, sir; I am now working for the government upon contracts.

Question. What contracts have you had?

Answer. Contracts for overcoats, pantaloons, and frock coats.

Question. At what time were those contracts made, and what was the extent of them?

Answer. The first thing I made for Colonel Vinton was 2,000 overcoats of sky-blue kersey.

Question. When was that?

Answer. In July, 1861.

Question. At what price?

Answer. At \$7 each.

Question. Was the material what is called army cloth?

Answer. Yes, sir.

Question. Regulation goods?

Answer. Yes, sir.

Question. What was the next contract?

Answer. The next was to make some Zouave suits, for which I got \$11 for the entire suit. I made up the leggings, jacket, pantaloons, and caps.

Question. How many?

Answer. One thousand.

Question. What was the next contract?

Answer. I did not make anything more for some time; not until along in the latter part of September or the first of October. On the second of October I took a contract for six thousand overcoats.

Question. Of whom did you take it?

Answer. Colonel David H. Vinton.

Question. Of what were they to be made, and at what price?

Answer. At \$6; to be made of felt cloth—sometimes called Peter-sham felt cloth.

Question. Is the coat I now hand to you one of those made by you?

Answer. Yes, sir.

Question. And you made six thousand of them under that contract?

Answer. Yes, sir.

Question. Were you paid?

Answer. Yes, sir.

Question. Who inspected the goods?

Answer. I do not know.

Question. What has been done with those goods?

Answer. They have been given to the sick and wounded soldiers.

Question. Were they made for sick and wounded soldiers?

Answer. No, sir.

Question. What were they made for?

Answer. They were made for soldiers' overcoats.

Question. If made for soldiers, why have they not been used?

Answer. Because, at the time the contract was finished and the clothes brought in, the colonel was able to get sky-blue kersey. His object in ordering these was to enable him to reduce the price of sky-blue kersey. They were asking such enormous prices for sky-blue at that time that he asked me what I could get to make army overcoats of in its place; and I got this material. We had a large number of soldiers in the field at that time, and much was said in the papers about the soldiers being without overcoats.

Question. You say, before these were delivered, they got other material. How soon were they to be delivered?

Answer. I cannot say. I have the contract in my store, and that will show.

Question. Did I understand you to say that the contract was made by you for the purpose of bringing down the price of sky-blue kersey?

Answer. Yes, sir.

Question. And not for use?

Answer. Yes, sir, for use too.

Question. Why were they not used?

Answer. They were all, except a very few, and the few that were left were given to the sick and wounded soldiers. The colonel could not give them anything better than that.

Question. Who inspected them?

Answer. I do not know.

Question. Where were they inspected?

Answer. At the quartermaster's office here.

Question. Were any of the coats you furnished rejected?

Answer. Yes, sir.

Question. How many?

Answer. Five or six hundred.

Question. What were they rejected for?

Answer. Because they were thin. In making up a large amount of clothing it is impossible for me to inspect them all myself.

Question. What contracts have you since had?

Answer. I am now making up sky-blue regulation goods?

Question. To what amount?

Answer. From five to eight hundred thousand dollars worth.

Question. Is the government still indebted to you?

Answer. Yes, sir.

Question. I understand you have furnished and been paid for 6,000 coats like the one I showed you.

Answer. Yes, sir. I have the same kind of coats in my store this year, which I am selling to our regular trade and getting more money for them than I got for those I made for Colonel Vinton.

Question. Do you know how many coats of this kind A. T. Stewart furnished?

Answer. I should think 30,000.

Question. For how much?

Answer. For one dollar more each than I got. I know he turned in a large quantity of these goods.

Question. Is he still manufacturing for the government?

Answer. No, sir. He may be selling goods, but he is not manufacturing. Other large houses made up the same goods. Some also made up black satinets and goods of that kind because it was impossible to get anything better at that time.

NEW YORK, *January 3, 1863.*

JOHN K. BULMER, sworn:

Question. State your official connexion with the government.

Answer. I am master-joiner at the navy yard.

Question. Can you state how supplies are furnished the navy yard, whether by contract or by purchase through the navy agent?

Answer. Some by contract, and some by open purchase through the navy agent.

Question. Where the supplies are furnished under contract, are the contracts made by the different bureaus at Washington?

Answer. I presume they are.

Question. Are you advised in regard to the price paid by the navy agent?

Answer. I have been in some instances, but not in all.

Question. Can you state the comparative prices paid by the navy agent and the contract prices for the same articles?

Answer. In the contracts, some articles are put down at a low figure; sometimes articles worth a dollar are put down at ten cents, while, when purchased in open market, the full value is charged for them, if not more.

Question. Have you any knowledge of frauds or speculations in the purchase of articles by the navy agent?

Answer. No, sir.

Question. Have you knowledge of any exorbitant prices being paid at any time?

Answer. In answer, I will say that, when I first went to the yard I was advised both as to the prices and quality of the articles. There was an inspecting officer at the yard, who then rated as second lieutenant, now as commander. These inspecting officers are changed every little while. One of them in particular, Mr. Haxtun, now commander, gave me to understand that I had nothing to do with the prices of the articles, but was only to judge of the quality. Since then I have not interfered.

Question. Prior to that time what was your information or knowledge of the prices paid, compared with the contract prices?

Answer. I have no knowledge of contract prices. I was merely asked to say whether the prices were fair market prices; and in many instances I rejected articles both on account of price and quality.

Question. If you know anything in regard to the purchases by the navy agent that would seem to vary considerably from the contract rates paid by the government, you will please state what it is.

Answer. I only know that some of the articles paid for under contract are put down at a low figure, while in open purchases they pay the full market prices.

Question. Explain how that is done?

Answer. When a contractor makes out his estimates and bids, he might, for instance, put down two inch screws, knowing that we use very few of them, at five cents a gross, while they may be worth two dollars a gross; and at the same time he would put down inch screws, knowing we use a great many of them, at two dollars a gross, while they are not worth, perhaps, half that much. In open purchases the bills sometimes come in with exorbitant prices, and using my judgment as to prices, if they are fair, the articles are taken; if not, they are rejected.

WILLIAM ALLEN BUTLER SWORN :

Question. Where do you reside, and what is your business?

Answer. I am a counsellor at law, residing in the city of New York. I am a member of the law firm of Barney, Butler & Parsons. Mr. Barney, since his appointment as collector, has not given personal attention to law business, his official duties fully occupying his time.

Question. Have you read the testimony taken before this committee touching the transfer of the labor contract?

Answer. I desire to say that I have read a portion of the testimony taken before this committee, containing allegations that a check of "Barney, Parsons & Co.," meaning, I suppose, my firm, was given in connexion with a transfer of interests under the so-called "labor contract." Such statement is untrue. No such check was ever given, nor was my firm ever interested under that or any other contract connected with the custom-house.

Question. Have you any statement to make touching your connexion with that transfer of interest under the so-called labor contract?

Answer. I was personally and professionally cognizant of, and connected with the matters relating to the transfer of interests under that contract. In the latter part of April, or beginning of May, 1861, I was retained to examine into the situation of that contract, to see how it stood, and whether it was practicable and desirable to secure the control of it. It was understood that it afforded employment to a large number of laborers, and that it was in the hands of parties politically unfriendly to the administration. I examined into it. I looked to see whether it was so situated that I could properly act in the matter. It was, and is, my rule to have nothing to do with matters depending upon influence with the collector or on his official patronage, or in which my relations to him would make it in the least degree improper for me to act. I found that the contract in question was a matter over which Mr. Barney had no control. It had been made under the direction of the Treasury Department in 1859, and was a valid and subsisting obligation, binding on the government and on the contractors, and having an unexpired period of something more than a year to run. It had been the subject of a congressional investigation and of a favorable report. I understood it to be an economical arrangement for the government, the advantage and saving being in the substitution of labor employed and superintended by private enterprise and supervision instead of government officials. I had, therefore, no hesitation in acting in the matter, and I did so act. A negotiation was opened by me, as counsel for the parties in interest, which resulted in an arrangement by which Messrs. Stevens and Wyman were appointed attorneys to act for the contractors to the extent specified in the power of attorney which is in evidence before the committee. So far as the government was concerned, there was no other change. I advised the parties that the contractors could not divest themselves of liability to the government under the contract. The risks and contingencies under it were serious; in addition to the perform-

ance of the labor, it called for repairs to stores, and imposed liabilities for breakage and damage. The arrangement was that the contractors should remain bound to the government as before, one of them, Mr. Bixby, superintending the labor. They gave power to Stevens and Wyman to collect the weekly payments. They also, as between themselves and the same parties, assigned to them their interest under the contract, whatever was assignable. The nominal consideration for this transfer was \$20,000. I understood that to a considerable extent the interest of the original contractors was retained. But whatever information I had on this subject was derived in the course of my professional employment, and I acquired no positive knowledge about it. Funds were placed in my hands by parties in interest, and I gave my own check to Mr. Craig on the completion of the transaction. Stevens and Wyman continued to act under the power of attorney during the unexpired term of the contract. It ran out, and was, as I have always understood, fully performed. If it was not, the original contractors are liable.

Mr. Barney did no act or thing about the whole matter. It was not dependent upon his will or action or patronage, or upon anything that he could do or not do. I never had any communication with him on the subject of this transfer. He never derived any benefit or advantage from it. If there has been any statement, insinuation, or intimation that he did, or that the arrangement which was made was the result of or connected with any action on his part, I am able to say that it is wholly without foundation. I would say, further, that I understand that it was stated to the committee that Mr. Wyman was in the employ of the house of C. H. Marshall & Co., and the inference may have been intended that Charles H. Marshall was interested in the transfer above referred to. While I can see no possible objection to his having been so interested, I beg to state that he was not my client in the matter, nor had he any interest whatever under the contract. Mr. Wyman has, for many years, been connected with the firm of C. H. Marshall & Co., and is a well-known and highly respected citizen of Brooklyn. My knowledge of him led to his being selected, with the consent of all parties, to act as attorney in conjunction with Mr. Stevens, and to take the transfer jointly with him.

Mr. Stevens never paid over any money to me, arising under the contract, that I recollect. Mr. Bixby did, from time to time, account to me, as representing a portion of the parties interested. The moneys were so paid to me upon a professional trust, which I have performed. I should say, in qualification of the above remark about Mr. Stevens, that he did pay me his proportion of my professional charges in the business.

WM. ALLEN BUTLER.

NEW YORK, *January 3, 1863.*

B. W. JONES sworn :

Question. Where do you reside?

Answer. In New York.

Question. What is your business?

Answer. I am an importer of salted skins and leather.

Question. Formerly of the firm of A. L. Dennis, Jones & Co.?

Answer. Yes, sir.

Question. When was that firm dissolved?

Answer. On the first of February, 1862.

Question. Had you, while a member of that firm, any goods seized by the custom-house officials?

Answer. Yes, sir.

Question. To what amount?

Answer. Without reference to the books, I should say somewhere between seventy-five and a hundred thousand dollars.

Question. By whom were they seized?

Answer. By the custom-house authorities.

Question. For what?

Answer. For undervaluation, I think.

Question. What became of the proceedings which were instituted in that case?

Answer. The matter was settled.

Question. With whom was it settled, and upon what terms?

Answer. I cannot say with whom, because I had nothing to do with the settlement. The senior members of the firm had the matter in charge.

Question. Do you know how it was settled?

Answer. Yes, sir.

Question. State how?

Answer. There was an amount paid to settle the transaction.

Question. How much was paid?

Answer. The sum was paid to our lawyers?

Question. Who were they?

Answer. Humphreys and Odell, of Brooklyn.

Question. Do you recollect the amount?

Answer. I think it was \$25,000.

Question. What became of it afterwards?

Answer. I cannot tell.

Question. Did the matter go into court?

Answer. It never went to trial. I cannot even swear that \$25,000 was the exact amount paid, but I think it was.

Question. When was this?

Answer. In September, 1861.

Question. What, and from whom, was the first intimation your firm had of a complaint being made?

Answer. The first intimation we had was from the custom-house officers, Dennison, and Franklin, a deputy naval officer, with some underlings of the custom-house coming into our office and seizing the goods.

Question. What did they say?

Answer. They asked several questions—asked for the books and seized the goods.

Question. Did they seize your books?

Answer. Yes, sir; and took them away with them.

Question. Did they state wherein you were complained of?

Answer. I think they stated it was for undervaluation.

Question. What invoice did they claim was undervalued?

Answer. I do not think any claim was made as to any particular invoice.

Question. What did they do after they seized the goods?

Answer. They put officers in charge of them.

Question. What then did you do?

Answer. I had nothing further to do with the matter after that. I had nothing to do with investigating the matter. The senior members of the firm took the matter in charge after that. I was in the store at the time the goods were seized.

Question. Do you remember the officers who were put in charge of the goods in the store.

Answer. I cannot tell their names.

Question. How long had they charge of the goods?

Answer. About four weeks.

Question. Were the goods appraised?

Answer. They had been appraised by the officers when the goods were imported, and the goods were passed as correct.

Question. Did they appraise them when the officers took charge of the store?

Answer. I think not.

Question. Did the goods you had in the store then all come through by one invoice, or had the stock been accumulating?

Answer. It had been accumulating.

Question. And they seized the whole stock?

Answer. Yes, sir.

Question. How long did they keep the books?

Answer. Some of them a day or two. I think they returned some of the books the next day, or the day after.

Question. What did they first ask to settle this matter?

Answer. I do not know.

Question. What was the value of the goods they took in charge?

Answer. I have stated from seventy-five to a hundred thousand dollars.

Question. Was any suggestion made by any of those parties as to what attorney you should employ?

Answer. There was.

Question. Who made the suggestion?

Answer. I do not know the man's name. It was one of two men—a man by the name of Isaacs and another man.

Question. How came he to make the suggestion?

Answer. I do not know. He made it to me on the side-walk.

Question. What led him to make it?

Answer. He said if I wanted this thing settled I had better go to so and so, giving me two or three names?

Question. What names were they?

Answer. I do not know.

Question. Were they the names of any of the parties you employed afterwards?

Answer. No, sir.

Question. Was Dunning one name?

Answer. I think it was.

Question. Was Craig one.

Answer. I am not sure. I would not swear even to Dunning's name.

Question. You were not present when the money was paid?

Answer. I know nothing about that. I know the money was paid, but to whom it was paid I do not know. It passed into the hands of the lawyers.

NEW YORK, *January 3, 1863.*

GEORGE DENNISON SWORN :

Question. You have heard the testimony of B. W. Jones read. Please state your knowledge of the facts touching the seizure of which he testifies.

Answer. That was the first case I worked up after I came into the naval office. I received information from a party in this city of some facts in the case. I made an examination of all the invoices of this firm in the custom-house. The goods imported were mostly salted sheepskins. There were colored skins, called colored skivers. The duty on salted skins was, I think, but four per cent. ; my recollection may be wrong. It was but a small percentage ; and the duty on the manufactured goods was but ten or fifteen per cent., according to my recollection. I state these facts, as it was a very difficult case to establish the facts and convict the parties because of the low rate of duties. The matter was under consideration by the officers for perhaps two months. They then deemed it proper to receive from A. L. Dennis, Jones & Co. the sum of \$25,000 as a settlement of the claim of the government for the fraud and under-paid duties. That money was paid into the United States district court. After the payment of the costs, the money was transmitted by the court to Mr. Ogden, the auditor ; he divided it, and the revenue officers received nearly \$12,000 ; they divided their share of the proceeds with the informer. We received in that case somewhere in the neighborhood of \$3,000 each. This being my first case, and a very important one, and Mr. Hart, the former surveyor, having a knowledge of revenue matters, especially of seizure cases, at my suggestion he was retained by us as revenue lawyer and paid \$1,000 for his services. After that payment we divided the remainder of one-half of the money among us, each receiving twenty-five per cent. ; that is, the collector, naval officer, surveyor, and informer.

Question. The government in the first instance taking one-half?

Answer. Yes, sir. And then after paying out of our half the counsel fee of \$1,000 we divided with the informer, he receiving the same as the revenue officers.

Question. Are the facts you have stated shown by the records of the office?

Answer. Yes, sir. The records of the court show that the money was paid there, and the records of the auditor's office show the amount of money received from the court in this case, the amount the government received, as also the amount each officer received. In reference to a large number of cases I receive information from parties outside. They may hold confidential relation with the parties of whom they inform, and holding those positions they do not wish to become informers; and yet having information which they deemed would be valuable to the government they come to me, and with the consent of the collector and surveyor, and with the approbation of the Secretary of the Treasury, I make an arrangement to pay these parties such sums as may be agreed upon, and which is usually an equal share.

Question. In this case were the usual proceedings instituted and carried out?

Answer. Thoroughly, in all respects. Everything was done strictly in accordance with law and the treasury regulations, and a record of the entire transaction is made up, except as to the part paid to the informer; that is a matter known only to the officers. The record shows that we received all the money as we do in other cases, and people who look at the record would say you have received so much money; when if they would receive explanation from the revenue officers they would see the sum diminished very much by the amount paid outside parties for information.

Question. But you received in this case only what the law and the regulations of the Treasury Department gave you?

Answer. That is all.

Question. The records of your office show that the government's proportion of this seizure was paid over?

Answer. Yes, sir.

Question. How much was first asked of this firm to settle this matter?

Answer. I cannot tell you now.

Question. What is your recollection?

Answer. I insisted that there should be very much more paid.

Question. How much more?

Answer. I speak from recollection. My impression is, I might have stated from fifty to seventy-five thousand dollars, and perhaps more.

Question. Wherein consisted their violation of law?

Answer. These goods had been undervalued.

Question. Was it a gross case of violation of the revenue laws?

Answer. No, sir. The amount was not large, and it was not sufficient to excite suspicion upon a casual examination of the invoices; and when the matter was referred to the appraisers they expressed some considerable surprise at the ingenuity displayed, from the fact that it did not show a very large percentage of gain, and that the goods were but a shilling or two a dozen in the invoice less than they should have been. The names were changed. I think the goods are classified as "double extras," "extras," Nos. "one," "two," and "three," and they put "double extras" as No. "one," and so on. They simply made a false classification, and even that did not show

very large percentage of increase. As I said before, an examination of the invoice by a party familiar with such matters would hardly make the discovery.

Question. In how many invoices was this change detected?

Answer. In several.

Question. Was the settlement which was made with these parties deemed an oppressive one?

Answer. Taking into consideration the wealth of the parties, and the amount, I did not deem it oppressive.

Question. The parties were not obliged to settle it?

Answer. They might have litigated it in the district court. The settlement was a matter of their own seeking. For a long time they insisted they should defend the matter, and have it tried in the district court, but finally, as my impression is, the matter was submitted to the Secretary of the Treasury, and on a review of the whole matter it was deemed best to settle it as I have stated.

Question. As the change in the amount of the invoice was so slight, was the fraud detected by means of the person you have referred to.

Answer. Yes, sir.

Question. Was he an employé of the custom-house?

Answer. No, sir.

Question. These invoices had passed through the hands of the custom-house appraisers and the fraud had escaped their detection?

Answer. Yes, sir. The invoices were filed in the custom-house, and are there now.

Question. If any of the employés in the custom-house detect frauds, are they allowed any share of the penalty, forfeiture, or compromise money?

Answer. I should say that the practice has not been for the employés of the custom-house to appear as informers.

Question. They are not allowed to appear?

Answer. They are allowed to, but it is not the practice.

Question. If they are allowed to appear as informers, is that an exception to the practice of the office?

Answer. The question has never been presented, to my knowledge.

Question. Are employés allowed to appear as informers?

Answer. They are.

Question. Are they allowed to have any share of the proceeds resulting from the detection of a violation of the revenue laws?

Answer. They would be treated as anybody else would be treated by the law.

Question. I would like to know whether they are allowed to receive any share of the proceeds received from a detection of a violation of the revenue laws?

Answer. They are not prohibited by the revenue officers. They would be allowed it if they claimed it. My answer would be, that wherever parties appear and claim an informer's share, they have it, whether they are connected with the revenue department or not.

Question. Did you ever know of an employé in the custom-house to have an informer's share of the proceeds?

Answer. I never did.

Question. Did you ever hear of such a case?

Answer. Nothing of the kind has transpired.

Question. Why do they not get an informer's share?

Answer. Because they are not informers and are not entitled to it.

Question. Have they never detected a violation of the revenue laws?

Answer. My attention is frequently called by the clerks to seeming irregularities in various ways.

Question. Since you have been here have the employés of the custom-house ever detected any violation of the revenue laws, so as to be entitled to an informer's share of the proceeds?

Answer. Not to my knowledge or recollection.

Question. You have known, however, informers outside of the custom-house who have had a share of the proceeds as informers?

Answer. Yes, sir.

Question. Many cases?

Answer. Several.

Question. Do you know or have you heard of any persons in the employ of the custom-house receiving more money than they were entitled to as their regular compensation?

Answer. Yes, sir.

Question. In what case?

Answer. In the case of an entry clerk in the collector's office. I traced a perpetration of the fraud to him, and to parties outside of the custom-house. An examination of the case showed that he had received some considerable money, but how much I cannot tell. This, for instance, would be one form of fraud: a house having considerable importation would employ a custom-house broker, as he is called, and pay him the proper amount of duties according to their showing, but I would find, on examination of the facts, that the government did not receive more than one-sixth the amount they should receive. The matter is now under investigation here by the Solicitor of the Treasury and ourselves, and it will show that the money which the government should have received was divided among a number of persons styled the "ring," comprising some persons in the appraisers' office and outside parties. The fraud was committed by making false papers and passing them through.

Question. Is it that kind of transactions which are now under examination by the Solicitor of the Treasury?

Answer. Yes, sir. He was sent here specially by the Treasury Department. The subject has been under investigation by me for nearly twelve months. My attention was attracted by certain irregularities, and by patient investigation I discovered frauds to a very large amount, and to a very great extent discovered the parties who perpetrated them, all of which facts will be reported to the Treasury Department.

Question. To go back to this matter of Dennis, Jones & Co.: what was the difference between the amount the government did receive in that case and the amount it would have received if the goods had been valued as your folks claimed they should have been?

Answer. My impression is that they paid much more finally than the difference in duties.

Question. What proportion of the goods in their store were liable to confiscation?

Answer. I do not know that I can tell. They were not all liable to forfeiture, as some of them were invoiced at the proper price. I should say that perhaps half the goods they had on hand were liable.

NEW YORK, *January 3, 1863.*

FREDERICK W. JENNINGS sworn :

Question. Where do you reside?

Answer. In Brooklyn.

Question. What is your business?

Answer. I am master cooper in the Brooklyn navy yard.

Question. Have you any knowledge of the mode of supplying the navy yard with stores of various kinds, whether by contract or otherwise?

Answer. Yes, sir.

Question. State whether the supplies are usually furnished under contract, or by purchase by the navy agent in open market.

Answer. They are at present supplied by open purchase by the navy agent.

Question. Who makes the purchases?

Answer. For materials I want in my department I make a requisition; that goes to Delano, the naval constructor, and from him to the admiral. If it receives the sanction of the two, it goes to the store-keeper, and from him to the navy agent, who gives orders to parties to furnish the articles. I do not know what claims those parties have. I know only that they get the orders and I afterwards go and select the goods. To find out who furnishes the goods I have to go to the navy agent and inquire.

Question. Do you determine the price and quality?

Answer. No, sir. I determine as to quality.

Question. Does the navy agent fix upon the price?

Answer. The navy agent has sent me to different ones, and I go and ask where the goods are which I came to select, and in a great many instances I find that the parties themselves are not manufacturers or dealers in the articles.

Question. Have you a knowledge of the prices paid in those instances?

Answer. I am supposed to have. When the goods are furnished the bill comes in.

Question. Are you able to state whether these purchases are at fair rates—the usual market prices?

Answer. In the open purchases for construction I have something to say as to price.

Question. What are the articles purchased for construction of which you speak?

Answer. Principally staves and hoop-iron.

Question. Do you know of any frauds practiced in the purchase of articles for the navy yard, through the naval officer or other persons?

Answer. I do not.

Question. Do you know of any collusions through which exorbitant prices have been charged for articles, whether purchased through contract or in the open market by the navy agent or by other persons?

Answer. I would state that when I got my position at the yard, and had been there two months, I was waited on by a person by the name of Mossell. This man had been furnishing articles through open purchase under the late administration, and he continued to do so up to the time I speak of. There had been a requisition made for some hoop-poles, and this man came into my office one day and seemed very anxious to have me do what I could for him towards securing the supplying of the coopers' department of the yard with the materials required there. I had known the man previously, and had not a very good opinion of him. I told him I had nothing to do with that matter; that the navy agent had all that to attend to. He intimated that if I would assist him he would remunerate me for my services. He offered me some money. He pulled out his pocket-book, took out some bills—I do not know the amount—and offered them to me. I refused to have anything to do with the money, or with him, and referred him to the navy agent. I asked him how it was that he charged such heavy prices. He gave me to understand there were parties to whom he had to pay commissions in order to get these contracts. Since that time he has furnished several orders; one, not more than two months ago, for 15,000 staves. That comes under my department, but is subject to the orders of the provision and clothing department.

Question. Had you supervision or control over the prices of the articles?

Answer. No, sir.

Question. Do you know anything wrong in the orders being given to him?

Answer. Nothing beyond the circumstance of his approaching me. The market price at that time was from \$110 to \$115 per thousand, and the price of the staves delivered at the yard was \$127 50 per thousand.

Question. Was this order given to him by the navy agent?

Answer. Yes, sir. I once required some staves, and went to select them. I went to the navy agent and inquired to whom the order to furnish them had been given, and he told me to call upon Mr. Mossell. His office is in Murray street. I called, but could not find him in. I went where I was told to go—up to Tenth street—to select the timber, and then I sent one of my foremen over to take the dimensions of what I wanted, and to notify Mr. Mossell where the staves were I had selected. In another instance I know of Mr. Mossell having an order for 20,000 hoop-poles which he could not furnish. The order was running five or six weeks without his furnishing the articles.

Question. Was there difficulty in obtaining hoop-poles in the market at that time?

Answer. I presume so from the fact that he did not furnish them. Since that time I have been served with a copy of an order issued by Admiral Paulding, which makes it imperative upon me to go to the

navy agent, and to be guided by his instructions in the purchase of articles. Neither I nor other officers of the yard are to go to any other party.

The copy of the order is as follows :

“ *Order.*

“ *NAVY YARD, New York, November 25, 1862.*

“ Officers, master workmen, and others, employed under this command, will, when articles are required to be procured by the navy agent on open purchase and to be selected, observe the following order :

“ They will call directly on the navy agent and inform him of their business and the articles they are sent to select. They are not to go previously to any place to ascertain where and on what terms the articles can be procured, as such duty pertains to the navy agent, and from whom alone they will receive directions for their guidance, as he may see proper to give them.

“ This order applies to *every article*, no matter of what kind, it becomes necessary to procure in the manner above described, and all persons are directed to strictly observe its provisions.

“ *H. PAULDING, Commandant.*

“ *Mr. F. W. JENNINGS,*

“ *Master Cooper.*”

Question. Are there large amounts of purchases now made in open market?

Answer. I am told that most all the articles are now purchased in open market ; that the contracts, which are generally given out in July, have not been given out yet.

Question. What is your opinion as to the economy of the two modes of purchase?

Answer. I suppose either one would do very well provided parties who are in the business, connected with the various articles supplied, could have the furnishing of the articles.

Question. Do you know of any other instances of grossly exorbitant rates above the market price being paid for articles?

Answer. I do not. I should say that I think the system of open purchases would be better for the government, provided parties who deal in the articles called for could have the furnishing of them in market.

WASHINGTON, *January 16, 1863.*

SIMON STEVENS again appeared before the committee and was examined as follows:

Question. We put to you now the questions which were propounded to you on a former occasion, when you declined to answer: How much money, in the aggregate, has been paid over, under the labor con-

tract, to Mr. Wm. Allen Butler, or to his account, or to Mr. George W. Parsons, his law partner, for account of Mr. Butler?

Answer. Having declined to answer this question for reasons heretofore given, I now, with the advice and consent of Mr. Butler and Mr. Parsons, willingly answer. About \$42,000; it may be a hundred dollars more or a hundred dollars less.

Question. You say you held this contract from May 11, 1861, until its expiration by its own terms, September 5, 1862. State the net profits of that contract during that time.

Answer. I attended to the negotiations and superintendence of the concern, and held the contract, as I have stated, for which I received one-eighth of the profits, which was my whole interest, except as trustee. The net profits of the concern for the time mentioned were about \$60,000.

Question. Did they exceed \$60,000?

Answer. They may exceed it a hundred dollars, and they may be that much less.

Question. Did they exceed \$61,000?

Answer. I do not think they did.

Question. Does this \$60,000 include the \$20,000 paid for the contract to McIntyre, Bixby & Co.?

Answer. That is the net profits exclusive of the amount paid to them.

Question. To the net profits of the contract itself then, during that time, you must add the \$20,000 which you paid out for the contract.

Answer. Of course.

Question. Is there to be added to that also \$1,000 paid to Mr. Odell for commissions for securing the transfer of the contract?

Answer. Mr. Odell was acting for Mr. William Allen Butler, the attorney for the parties in interest, and what commissions he paid Mr. Odell I do not know.

Question. Did the \$60,000 of which you have testified, and the \$20,000 paid for the contract to McIntyre, Bixby & Co., include all that was received of the government under the contract, except what was paid out to carry on the requirements of the contract?

Answer. As far as I know.

Question. Do you mean to say that the \$80,000 thus testified to was what was left in the hands of the contractors after they had paid out what was required to fulfil the obligations of the contract?

Answer. Yes, sir.

Question. What interest had Mr. Bixby still under the contract after the contract had been sold by him to you and Mr. Wyman?

Answer. He acquired three-eighths of the interest in the contract.

Question. From whom did he obtain it?

Answer. From me.

Question. What was the consideration of that purchase by him from you?

Answer. I have heretofore stated in my testimony.

Question. Please repeat it.

Answer. It is as follows: after the execution of the contract I employed Francis M. Bixby to conduct the business, he being one of the original contractors with the government. Under that arrangement he acquired an interest under me, which was three-eighths. These large profits arise on account of the war having, to a great extent, stopped importations.

Question. Do you know how the importations at the custom-house in New York, for the year ending September last, compare with those of the year next preceding?

Answer. I have no positive means of knowing, except down to September, 1862.

Question. Do not you know that the business done at the custom-house in New York the last year has exceeded that of any other year since the foundation of the government?

Answer. I do not know, without comparing the books containing the accounts of the number of packages, expenses of cartage, and labor connected with importations. I do not believe the number of packages which have come to the public stores is as large by several thousand this last year as it has been on several previous years.

Question. State what knowledge you have in reference to that matter.

Answer. I have examined the books, but do not recollect distinctly about the matter. My impression is that the number is not so large.

Question. In your testimony taken in New York you said you considered the labor contract cheaper for the government because, if in the hands of the collector, members of Congress and other individuals urge upon him the appointment of more men than are necessary for the performance of the work, and because, if he refuses, they might threaten him with congressional investigation. What members of Congress have urged upon the collector the appointment of men whose appointment he has refused, whereupon such members of Congress threatened him with congressional investigation?

Answer. Of my own knowledge, I do not know of any members of Congress.

Question. Under ordinary circumstances from your experience, what number of persons is necessary to perform the labor under this labor contract?

Answer. To do the whole work at the public stores, if by contract, ninety men, at two dollars a day, would be sufficient under the most pressing circumstances. Contractors select their men without regard to party politics, taking only first-class men to do their work. They have no political pensioners, and those men work from the time they enter the store in the morning until evening.

Question. What number of men are now employed in performing that labor, or have been employed since September last?

Answer. I do not know, of my own knowledge, but I am informed that they employ from 110 to 115.

Question. How many did you employ while you were executing that contract?

Answer. When the importations were very light, our number was

as low, one week, I think, as sixty, and, speaking without my books, I think we had, at the highest, between eighty and ninety.

Question. What did you pay your men?

Answer. By the terms of the contract you will see that we were obliged to pay two dollars a day to laborers.

Question. What is the government paying now?

Answer. I am informed that they are paying from forty to fifty dollars a month.

Question. What expense is there in connexion with the public stores additional to the employment of the men and the performance of the labor?

Answer. The additional expense is cartage for carting these packages to the public stores.

Question. What is the cost of such cartage?

Answer. I should say that the ordinary cost of cartage would be from twenty-five to thirty thousand dollars a year. Twenty-five thousand dollars is very low.

Question. Would not the government be benefited by having this work done under the contract system, if the contract was put out to the lowest bidder?

Answer. No, sir; I think not. The contractor, in the first place, must be a person friendly to the collector, because the collector is the natural custodian of the goods, and has to give heavy bail for their safe-keeping. If you open the contract to everybody, you will get persons who will come in conflict with the collector. They must work in some kind of unison.

NEW YORK, *January 10, 1863.*

FRANCIS M. BIXBY sworn:

Question. What is your residence and business?

Answer. I reside in New York. I am engaged in the storage and shipping business.

Question. Have you any connexion with the custom-house now?

Answer. Well, no direct connexion.

Question. Have you any indirectly?

Answer. Well, sir, I am part proprietor in a warehouse where imported goods are stored.

Question. Have you any other connexion with the custom-house?

Answer. No, sir.

Question. Were you one of the original contractors in what is called the labor contract?

Answer. I was.

Question. Did you have any part or interest in the sale and transfer of that contract?

Answer. I did. I owned one-quarter interest in the contract. I was the business partner of the firm of McIntyre, Bixby & Co. As regards the transfer of the contract, we were all active in that. Shortly after Mr. Barney came into office, the question of the dispos-

ing of the contract was agitated. Two of my associates, Messrs. Craig and McIntyre, were anxious to sell out. Mr. John C. Mather was the other partner. The reasons for desiring to sell were, that during the continuance of the contract under a democratic administration, it met with considerable opposition. My partners believed they would not be any better treated by the republicans, and they advised selling out. I was opposed to selling out, and gave as my reasons, that it was not a party matter. Parties had nothing to do with it. Mr. Barney had nothing to do with it, only to pay the weekly stipend. I held that it was really an advantage to the government, that it would have to run its course, and could not be interfered with. However, we subsequently sold the contract, and I obtained an interest in it, through Mr. Stevens, which was given me for superintending the business.

Question. What was your interest in it after its sale, and during the remainder of its existence?

Answer. I, perhaps, had no legal interest in it after that, but Mr. Stevens gave me a per cent. for managing the business.

Question. What were the inducements for you to sell, finally?

Answer. Mr. McIntyre and Mr. Craig insisted upon selling, and I finally yielded, Mr. Stevens offering me a portion of the profits for my services.

Question. Do you know anything about what the consideration for the sale was?

Answer. Yes, sir; it was \$20,000.

Question. By whom was that sum paid?

Answer. One-half of it was paid by Mr. Stevens, nominally. The other half was paid by Mr. Butler for Mr. Wyman.

Question. What do mean by nominally?

Answer. I mean that he handed over the money, or its representative.

Question. Do you mean that it was not really his money?

Answer. Well, he gave his note for his share, which note I accepted. He could not pay the money, and, as I was not willing to take obligations without having the right of reimbursing myself, it was arranged that I should receive the money from the custom-house, and deduct from the profits of the contract the proportion which was my share for superintending the work.

Question. Was Stevens the real purchaser, or was there somebody behind him?

Answer. He was the real purchaser. One-half was paid in this way: I held the authority for collecting the weekly payments from the custom-house. The other half was paid with the check of William Allen Butler for \$10,000. \$5,000 of that was paid to Mr. McIntyre and \$5,000 to Mr. Craig.

Question. Did it come to your knowledge, from any source, that it was contemplated to take away from you the general-order business?

Answer. Nothing of that kind came to my knowledge.

Question. Were the general orders under the control of the collector, to be given to whom he pleased?

Answer. Yes, sir.

Question. You were holding that business under the collector himself?

Answer. Yes, sir. The general-order goods were sent to our warehouse under his direction.

Question. Was it through the general orders that you were enabled to make the profits on your contracts—to make money?

Answer. No, sir.

Question. Could you make as much money on the contract without the general-order business as you could with it?

Answer. The general-order business had nothing to do with the contract; did not affect it in any manner.

Question. If you had been deprived of the general orders, would the labor contract have been as profitable?

Answer. Precisely. It would not have affected it in the least if the general-order business had been taken away.

Question. Were you made aware that you could continue to have the general orders if you sold out?

Answer. No, sir.

Question. Have you continued to have an interest in the general orders?

Answer. Yes, sir.

Question. Have you had the same amount of general orders since you sold the contract as before?

Answer. Yes, sir; the same general average. There is no other storehouse in one of the districts where they could be sent, and we have all there are for that district. I am positive and emphatic that I did not sell out the contract because I was apprehensive that the general-order business would be taken away from our storehouse.

Question. Were any of the negotiations in reference to the transfer of the contract made when you were not present?

Answer. No, sir; I was always present, and I have a knowledge of all the negotiations in that matter.

Question. Was it intimated to you from any source whatever that unless you transferred that contract you would lose the general-order business?

Answer. No, sir; nothing of the kind was ever intimated to me from any quarter.

Question. Who were the parties who negotiated this whole business of the sale and transfer?

Answer. The sale was made to Mr. Stevens, who acted for half the contract, and to Mr. Wm. Allen Butler, who acted for the other half.

Question. Had anybody else any knowledge of the transfer or of the reasons for it?

Answer. No other parties, unless, perhaps, Mr. Odell knew about it.

Question. Was anybody else in any situation to know of the transfer, and the reasons for it?

Answer. No, sir.

Question. Do you know anything about the fitting up of any office in the public store building for any one?

Answer. When we were in the public stores in Broad street we had an office assigned us there. Another office was assigned us when we moved into the store in Broadway. It was remodelled, and we made some few alterations in it, which we paid for ourselves. It was a mere matter of putting up a few partitions. The furniture of the office was paid for by myself, and its whole value would probably amount to about \$50. Independent of the safe, the furniture consisted of a carpet, an old desk, of little value, and two or three chairs.

Question. Was that the only office you had in the public buildings?

Answer. Yes, sir.

Question. Was any other office fitted up for any party connected with this contract, and used by any party having an interest in this contract?

Answer. No, sir.

Question. Who paid the rent of this office you speak of?

Answer. Well, the government paid the rent for the whole building, and we were assigned an office in it.

Question. Was there any other expense the government was at about it?

Answer. None whatever.

Question. Who occupied this office?

Answer. The contractors.

Question. Had you any other office anywhere?

Answer. Not in that building, sir.

Question. Why did you require to have an office in the public stores for the contractors?

Answer. Well, sir, we had it in order to have a place convenient to oversee the workmen; to receive any complaints against anybody connected with the business for failure in the performance of duty. It could not well be elsewhere. Our business was all there; the labor was done there; we had to superintend the labor there; and it was every way proper to have an office in the same building.

Question. How many men were employed in the storehouse on the labor contract?

Answer. I have here a pay-roll—the last one that was made out under the contract—when our force was as low as it had ever been. From that pay-roll I make seventy-six men employed each day for the last week of the contract.

Question. How did that compare with previous weeks?

Answer. The number of men would vary with the business of the store. This was among the lowest we ever had. We have had as many as one hundred and fifty.

Question. Can you give me the net profits of that contract?

Answer. I have here the statement of the last week on that point. The pay-roll for labor was \$851 92; the expense for cartage was \$749 47; and our incidental expenses for that week were about \$154 31. That would make a total of \$1,755 70. This is one of the lowest week's expenses. The contract price was \$123,000 a

year, which would be \$2,365 38 a week. That would show for that week a profit of \$609 68.

Question. How did that compare with the previous weeks?

Answer. The business at this period of the year was less than at other periods. During certain months the business is light. Our expenses have in several instances exceeded our receipts, and it was only by making pretty good profits in other weeks that we made up the deficiency and our profit.

Question. What were the entire net profits up to the time of the transfer of this contract to Stevens & Wyman?

Answer. About \$28,000.

Question. Did it exceed \$30,000?

Answer. No, sir; it was only a fraction over \$28,000. I received a fraction over \$7,000 for my share, which was one-quarter of the whole; and I think my services were worth fully that for the time I gave to the business, and that was about sixteen months, if I recollect right. I know there have been a great many comments made on this contract. Many persons have alluded to the item we paid for labor as the whole expense we were subject to, when in fact the labor was not half the expense. The item of cartage was nearly as large as the expense for labor; and there were various failures and shortcomings on the part of the laborers, for which we were responsible, and which we had to make up. When we took the contract the expenses at the public stores were about \$100,000 a year more than our contract price. The expenses are now somewhat less. The contract compelled us to pay \$2 a day for good, bad, and indifferent workmen. The government are now paying from \$30 to \$50 per month. The reason we got along as well as we did is we employed men adapted to their business. It has been stated that Mr. Schell and certain members of Congress were interested in this contract. I wish to state that no persons whatever, excepting us four, were, either directly or indirectly, interested in this contract; no other but us four received any of the profits.

Question. How many clerks were in the employ of the contractors?

Answer. We had a cashier.

Question. By whom was he paid?

Answer. By ourselves.

Question. Had you any clerk in your employ paid by the government?

Answer. No, sir; Mr. Baum, however, one of the receiving clerks in the public stores, was in the habit of calling the roll of the laborers. That was before his public duties commenced in the morning. As receiving clerk, he had the general supervision of the work in the store. He did this calling of the roll in addition to his duties for the government, and before his duties for the government commenced; and he had no additional compensation for it. We paid him nothing for it.

Question. What interest did the government have in the proper discharge of the duties of your men?

Answer. Well, the government officers exercised some supervision, to see that their interests were protected. They were interested in having the work done promptly, and in accordance with the contract.

Question. Did any other government clerk discharge duties for you?

Answer. Mr. Dempsey, a government clerk, made out the pay-roll. His duties were to answer inquiries relative to the business of the store, and to act as clerk in the storekeeper's office; he was paid by the government. He had been in the habit of making out the pay-rolls for years before our contract. It probably occupied him about half an hour a week, and he did it at times when he was not employed for the government. He never did any other business or duties for us. We never paid him a cent for his services, as it was a mere trifle to do.

Question. Do you know anything about any packages having been carried from the steamers to the public stores, and then carried up to the fourth loft of the building, and afterwards returned and opened?

Answer. There was on one occasion a package of samples sent by Mr. Stevens's brother from London. It came in the ordinary course of business to the public stores for examination, and after it had been examined and found to contain nothing of dutiable value, Mr. Stevens took possession of the package. He took it into an office, opened it, and sent the various samples to the parties to whom they were directed. That was the only instance of the kind that ever occurred within my knowledge.

NEW YORK, *January 10, 1863.*

WILLIAM D. ROBINSON (cashier) recalled:

Question. Can you give any fuller explanation or history of the commissions received by the collector upon the fees of State officers than you did before?

Answer. Those fees have always been collected on the entry of a vessel into port, for the convenience of the merchants as well as of the State officers, by the collector. A merchant entering a vessel or goods pays, at the same time with his duties, the fees of the State officers, and it would put them to great inconvenience to collect them elsewhere. It is one of the duties of the collector to see that these fees are paid. There is a law of the United States which compels him to see that all the fees due the State officers from vessels are paid before he grants a clearance. It is not his duty to collect State officers' fees, but to ascertain before clearance of vessels that all lawful fees and charges against them have been paid.

Question. What does the act of Congress make it his duty to do?

Answer. I do not remember the words of the law, but I understand his duty to be, in respect to these fees, to see that all the claims of the State officers are satisfied before he can clear a vessel.

Question. By what arrangement, or whose authority is a commission on these fees paid to the collector?

Answer. By an arrangement between the collector and these officers. At every change of administration these officers wait upon the collector, as a matter of form, and say it is understood that you will collect the State fees on the same terms as heretofore.

Question. Does the law of Congress require the collector to ascertain whether these fees are paid before clearances are granted?

Answer. I think it does, but am not positive.

Question. Is it any part of the duty of Mr. Barney as collector to collect these fees?

Answer. I think not. He does it merely as an individual.

NEW YORK, *January 10, 1863.*

AUGUSTUS SCHELL sworn:

Question. Will you please state whether you have been collector of the port of New York?

Answer. I have been collector of this port. I entered upon the duties of the office on the 1st day of July, 1857, and terminated on the 8th of April, 1861.

Question. Do you hold any official position under the government now?

Answer. No, sir.

Question. Can you state to the committee what fees and emoluments you received as collector?

Answer. I am not able to state the amount.

Question. Can you give an approximation?

Answer. What I received appears in the accounts of the cashier and auditor.

Question. Is there nothing on the auditor's books but what you received from confiscations, penalties, and seizures?

Answer. That is all. I received nothing but what appears on the auditor's books.

Question. Are there any commissions received by the collector which do not appear in the auditor's office?

Answer. There are. The collector acts as an agent for the port wardens, the harbor masters, and the physician at the health office; and certain commissions are allowed him by those officers for collecting the fees.

Question. How is it that the collector is entitled to these commissions?

Answer. He is not entitled as collector.

Question. How comes it that he receives these commissions?

Answer. The State officers, who are entitled to these fees, with a view to insuring their collection, and also of facilitating the collection, make an arrangement with the person who holds the office of collector for this port to collect these fees as the vessels arrive.

Question. When you came into office did you have any conference with the Treasury Department at Washington on the subject of these collections?

Answer. I called the attention of the department to the practice which had been carried on at this office, and inquired whether there was any objection to its being continued? They answered from Washington that they saw no objection, and I did continue it.

Question. Were these collections continued under your administration upon the same terms as under Mr. Redfield and your other predecessors?

Answer. I understood so.

Question. It was the result of an arrangement between you and the parties who received these fees.

Answer. Yes, sir.

Question. Is there any other mode of collecting these fees as conveniently and practically as this?

Answer. I think not. There is no other mode so convenient and feasible.

Question. Could anybody be appointed outside to collect these fees?

Answer. Not well, without interfering with the business of the custom-house.

Question. What connexion will such an outside collector have with the custom-house?

Answer. He would be bound to inspect our records constantly, with reference to the liability of these vessels to pay the fees.

NEW YORK, *January 10, 1863.*

SAMUEL G. OGDEN (auditor) recalled:

Question. You made a statement heretofore to this committee in reference to the emoluments received by Mr. Barney, as collector of this port. Will you now state those received by Mr. Schell, his predecessor?

Answer. I think I stated the emoluments received by collectors generally from fines, forfeitures, and seizures. Mr. Schell received during the four years of his term, or from July, 1857, to April, 1861, \$53,545 24. That is what he received from all violations of the revenue laws in any shape.

Question. Did Mr. Schell derive, by virtue of his office, any other income than these seizures and the commissions he received from State officers?

Answer. These were the only sources of his revenue by virtue of his office. The fees from State officers, however, are not considered as received by the collectors in virtue of their office.

Question. This is all he received excepting salary?

Answer. Yes, sir; this is all excepting his salary.

Question. Give the amount in each year from fines, penalties, and seizures.

Answer. For the year, from July, 1857, to July, 1858, he received \$9,103 19. The next year, from July, 1858, to July, 1859, \$9,093 91. From July, 1859, to July, 1860, \$18,458 89. From July, 1860, to the expiration of his term of office, including sums paid to him in cases adjudicated or settled thereafter, \$16,909 25. That would foot up the sum of \$53,545 24.

Question. Is Mr. Schell entitled to a share in pending cases not disposed of at the time of his retiring from office?

Answer. Yes, sir. If the case of confiscation was commenced by him and not disposed of before the expiration of his term of office, he receives his share whenever it is disposed of—that is to say, the emoluments from confiscations, fines, penalties, &c., go to the collector, in whose term of office the prosecutions were commenced.

Question. You have no means of telling what will finally be received by Mr. Schell from pending cases?

Answer. No, sir; nobody can tell that; we never can tell what the courts will decree, or our juries will decide.

Question. How does the amount received by Mr. Schell, during his term of office, compare with the amount received by his predecessors?

Answer. It is considerably larger than was received by his predecessors generally.

NEW YORK, *January 10, 1863.*

GEORGE BISBEE SWORN:

Question. Where do you reside?

Answer. In the city of New York.

Question. Have you an official connexion with the custom-house?

Answer. Yes, sir; I am engaged as a clerk in the third division, in charge of the sample office.

Question. Had the contractors under the labor contract of Messrs. McIntyre, Bixby & Co., anything to do with the United States sample office?

Answer. They had no control over it.

Question. Was any of the labor performed under their contract, performed in connexion with that office?

Answer. I am not able to say. I did know at that time how the assistance furnished to the appraisers was employed. Whether it was directed by the custom-house department, or whether the contractors supplied all the labor, I did not know. The appraisers had a man there.

Question. By whom were the goods brought there?

Answer. They were paid for being brought by the contractors. As I understand the matter it was this: that the contractors should do the business of that building for a certain amount of money, and that they should pay the cartage on goods brought to the public store; and when the contractors afterwards stipulated that the government should pay for goods brought to the sample office, Mr. Guthrie objected, saying that these goods should be brought in without charge. The carmen brought the goods from the steamships directly to the sample office. From all transient vessels the goods were discharged at 35 New street, and from there transferred to the sample office.

Question. Do you know anything about any of the contractors under

the labor contract interfering with the duties of the government store-keeper?

Answer. I do not.

Question. Have any of these contractors undertaken to interfere with the storekeeper, who was Mr. Gray, I believe?

Answer. I have no knowledge of that at all.

Question. Have you any knowledge of their attempting to interfere with the duties of the officers in the sample office?

Answer. I have no knowledge of the contractors interfering, but Mr. Stevens did on one occasion ask me, as officer in charge of the sample office, to facilitate the getting out of a certain package, which it was said was sent there by his brother in Europe, to be distributed among certain libraries and literary institutions in this country.

Question. Was anybody with him when he made the request?

Answer. A broker, Mr. Willey, was with him at the time. I said to Mr. Stevens I had no means of facilitating the getting out of any package from the sample office, except in the usual way. If the package was dutiable, it must be transferred to the appraiser's office; if it was not dutiable, he could get it at any time by calling for it at the sample office. Subsequently Mr. Willey came to the office, and in the course of conversation I said to him that the request which Mr. Stevens made of me was a singular one. It appears that Mr. Willey reported what I said of Mr. Stevens, and within a day or two after Mr. Stevens came into the office and said that he heard I had been making remarks about him. I asked him in what particular. He said I had commented on our conversation in regard to delivering the package some two or three days before. I said to him that I had remarked to Mr. Willey that I thought the request he made was a singular one, and now, since he had brought the matter up again, I regarded it as still more singular. He said that he did not choose to have men in that building making comments upon his proceedings, and he would not have it; that the building was not large enough to hold us both, and that he would complain to Mr. Barney of my conduct in that matter. I said I would be glad to have him do that, and if he didn't I certainly should. On several occasions after that I heard that he reported I was to be removed from the sample office. I saw Mr. Barney soon after and told him what had occurred between Mr. Stevens and myself. Mr. Barney said that Mr. Stevens had no control over that office; that he had nothing to do with it, and that he should hold me only responsible for what was done there.

Question. What was the reason of his asking you to facilitate the getting out of this box? what did you understand by it?

Answer. I thought it was strange that a man who had been so long in that building and who knew, as well as he must have known, that every package which was dutiable must be transferred to the appraiser's department, and every package which was not dutiable would be delivered to him at once, on application to the sample office—I say I thought it strange that he should ask me to facilitate the getting out of a package under those circumstances.

Question. What did you understand he desired you to do in facilitating the getting out of this package?

Answer. My understanding was this, that he desired to get the package delivered to him from the sample office, whether it was dutiable or not; for, after the package was examined and ready for delivery, it remained in the office some two days or more uncalled for.

Question. What did you understand he came there with a broker for?

Answer. It appeared to me at the time, and afterwards it seemed to me more certain, that his object was to see if I would not deliver goods from that office in an irregular way. I considered this to be an attempt to test my integrity.

Question. Did you give Mr. Stevens to understand how you regarded this approach to you?

Answer. I did not, except by implication. I think that he understood what my idea was, or how I regarded it. I intended that he should.

Question. Was it after you gave him to understand your interpretation of this approach that he sought to get you removed?

Answer. It was after that that he declared expressly that he would have me removed.

NEW YORK, *January 10, 1863.*

H. B. STANTON (deputy collector) sworn :

Question. Where do you reside, Mr. Stanton?

Answer. I reside in Brooklyn.

Question. What is your official position in the custom-house?

Answer. I am one of the deputy collectors of the port of New York, and have a general charge of all matters, and especially law matters, relating to the seizure of goods and vessels under the revenue laws.

Question. Will you state the mode of procedure in relation to seizing goods or vessels for violations of the revenue laws?

Answer. I will state the general mode, and in brief, without going into more detail than may be necessary to explain my meaning. Whenever goods or vessels are seized for alleged violations of the revenue laws that fact is promptly reported to the collector, and the papers are by him sent to me. A record or memorandum is immediately made of the substance of these papers, and thereupon it is the custom to wait a reasonable time before instituting judicial proceedings for forfeiture, to see if the parties claiming the seized property have any excuses or explanations to make in regard to the grounds of the seizure. This is done, because it occasionally happens, on investigation, that there was no sufficient ground for seizure, and thereupon the property is immediately released. It is also done to avoid costs to parties, or to the government, which would result from the commencement of a prosecution and its subsequent discon-

tinuance on the ground that there had been no sufficient cause for seizure. If within this reasonable time no excuses or explanations are offered by parties, and no propositions for adjusting, by way of compromise, are made, the case is sent to the United States district attorney for prosecution. It occasionally happens that, after a case has been sent to the United States district attorney for prosecution, the claimants of the seized property propose to pay the appraised value of the property, with the costs of prosecution, and take the property. This they do generally, because there is some special reason why they want the property. It often is because the property was imported to fill some special order; therefore, in this class of cases, as well as in some others, it is often a great convenience to the parties to have their property on paying the appraised value and the costs of prosecution, if a suit has been instituted. In such cases a letter is sent to the district attorney stating the facts and the amount proposed to be paid, (which is the appraised value,) and asking him to discontinue proceedings against the property. This being done, and the money having been paid into court, the property is delivered by the marshal to the claimants. But it sometimes happens, while the matter is waiting for explanations, that the claimants of the seized property, before the case has been sent to the district attorney, make a proposition to pay the appraised value of the goods seized and have the goods delivered to them. This proposition is now always in writing, signed by the claiming parties. I will here give a copy of one of these propositions:

“CUSTOM-HOUSE, NEW YORK,
“*Collector's Office, November 22, 1862.*

“SIR: I, George Adams, hereby request you to receive the sum of \$2,000, being the appraised value of two cases, marked R A, 23, 24, containing embroideries, and silk laces, and artificial flowers, which have been seized by you for a violation of the revenue laws of the United States, and are liable to forfeiture.

“I pay this sum of my own volition, in order to obtain the goods immediately, and to save costs, being aware that I have no legal defence to interpose.

“GEORGE ADAMS.

“HON. HIRAM BARNEY,
“*Collector, &c., New York.*”

That proposition is usually (as in this particular instance) attached to the invoice and papers in the case. The sum in such cases which the parties propose to give is almost invariably the appraised value of the merchandise, and it is always that sum, or a sum such as the appraisers say in writing that the goods would, in their opinion, sell for at auction for cash. This mode of sale is the mode invariably adopted, where the goods are to be sold after a forfeiture, by the marshal—that is to say, a sale at auction for cash. In some cases there have been settlements for sums less than the appraised value of the goods, but in no case within my knowledge has there been a

settlement in which the appraisers have not first stated that the sum proposed to be paid was equal to the sum which, in their opinion, the goods would sell for if advertised and sold at auction for cash. When the money is thus paid on settlement it is always immediately delivered to the auditor at the custom-house, and I receive his receipt for the money before I sign an order for the delivery of the goods to the claimant; and this money is then divided by the auditor according to law and the treasury regulations. This mode of disposing of cases is, in my opinion, clearly sanctioned by express statute; and it has been the customary mode of procedure, according to the statements of old custom-house officials, for thirty or forty years, and they do not know how much longer. Of the legality of this mode of disposing of cases I have no doubt. As to its expediency in a pecuniary view, I know a much larger sum is realized to the government from this mode than would be realized by prosecuting the cases to forfeiture in the courts. It is within my own knowledge, though I cannot specify precisely and in detail the cases, that the custom-house officers have declined to accept of sums offered because they thought the goods would sell for more; and the cases have thereupon been sent to prosecution, and the government in the end has not realized as much as it would have received by a settlement of the cases in the manner proposed.

Question. Mr. Stanton, is there a statute provision authorizing the adjustment of these cases before they arrive at a judicial decision?

Answer. Yes, sir. The fifth section of the act of March 3, 1841, clearly recognizes that *compromises* may be made by collectors in cases of seizure. The act recognizes it as a system then in existence, and which was to continue to exist.

NEW YORK, *January 10, 1863.*

JOHN MCKENZIE sworn:

Question. What is your business?

Answer. I am a laborer in the sample office.

Question. Have you any knowledge of a box of goods which was taken from the fourth story of the building where the sample office is situated?

Answer. No, sir; there was a package at our office which came by the steamer "Hansa" on the 4th of February last, and was delivered to Mr. Willey on the 10th. Mr. Stevens came into the office and said that parcel belonged to him, and I was requested to carry it into his office, which I did. At night, before my going away, Mr. Gray, the storekeeper, asked me, did that package ever go out of your office? I said, yes, sir; and I will show you an order and a receipt signed for it. No matter, he said, I will take your word for it. The package contained some pamphlets for distribution.

Question. Did you ever hear of a parcel being brought down from the fourth story into Mr. Stevens's office and opened?

Answer. I heard of that, but had nothing to do with it. That was not this box.

Statement of Hiram Barney, Esq.

Question. Please state your official position.

Answer. I am collector of the port of New York, and have been since April 8, 1861.

Question. I hand you a resolution passed by the House of Representatives, which you will please read, and then please state fully in relation to the several branches thereof.

The resolution above referred to was as follows:

“*Resolved*, That the committee on government contracts be directed to inquire into the amount of moneys received by the federal officers in the city of New York, by virtue of their offices; also as to the ownership and rents of the bonded warehouses; also the terms, considerations, and profits of the labor contract for the storing, hauling, and delivering, &c., of foreign goods in the city of New York; when made, by whom, and who are now interested in the same.”

Answer. I will answer in reference to each subject embraced in the resolution separately, and in the order in which they are specified in the resolution.

First. In reference to the amount of moneys received by me by virtue of my office, I refer to the statement annexed to the testimony of Mr. Ogden, the auditor. All the moneys received by me, by virtue of my office, are there stated; and I have not derived any profit, benefit or emolument of any kind, or from any source, in consequence of holding my office, except as stated therein, and by Mr. Robinson, cashier. I desire to say in reference to the commissions upon moneys received for State officers, that upon my appointment to office I was informed by my predecessor, and I ascertained on other examination, that these commissions had been allowed to and received by the collector for over twenty years past, and without interruption, under an arrangement with the State officers, for whose benefit and account they are collected. They are collected by me for the convenience, and at the special request, of the State officers, and could not well be collected by any one else. I will also add that since my incumbency of the office of collector, owing to the war and the unprecedented state of affairs occasioned by it, I have been charged with very many new duties, some of them entirely foreign to the ordinary functions and powers of collectors of the revenue, and involving great responsibilities, for which no indemnity or protection is allowed or provided by existing laws. I have also, while acting within the line of my official duties, been very often compelled by the new and peculiar exigencies incident to the war, to act with great promptness, and upon suspicion, to seize and detain vessels and property, and otherwise to exercise acts of authority under the direction of the government or in its behalf, in which I have occasionally assumed great and unprecedented responsibilities involving very heavy pecuniary risks; and I see no reason why I should not be indemnified. There is a manifest

propriety that I should be included with other officers of the government in the bill of indemnity now pending before Congress.

Second. As to the bonded warehouses, their ownership, and rents, I answer as follows: The bonded warehouses are owned by individuals, who take goods on storage, giving bonds for the safety, custody, and delivery of the goods to the owners. The whole subject is governed by treasury regulations, which have been in force for a number of years. The rates of storage are uniform and settled. The owner of any store in the city may apply to the collector to have his store made a bonded warehouse. Upon filing the bond required by the treasury regulations, and complying with the conditions of those regulations as to the protection and fastenings of his premises, his store is made a bonded warehouse as a matter of course. The parties who thus make their stores bonded warehouses for the storage of imported goods, also pay the salary of the government storekeeper, and of any other officer who may be needed to assist that storekeeper. Practically, therefore, the government pays nothing. The regulations imposed by the government are to secure the safety of the goods while they are warehoused, and before they are finally entered by the importer for consumption, or withdrawn for exportation. The expense of storage is a matter between the proprietor of a bonded warehouse and the owners of the goods; and, in case of dispute as to rates, the rates adopted by the Chamber of Commerce apply. The general-order stores are designated by the collector out of the bonded warehouses. The principle which governs me in selecting the general-order stores is this: that the location shall be convenient to the place where the goods which go to the general-order stores are landed; that the accommodations in the building shall be sufficient for the district to be served; and that the parties who are proprietors of the stores shall be persons on whose responsibility and integrity I can rely.

Third. The only labor contract in reference to foreign goods was that for the handling of goods in the appraisers' stores, made in August, 1859, by my predecessor, Mr. Schell, under the direction of the Treasury Department, with William N. McIntyre, John C. Mather, Francis M. Bixby, and James B. Craig. It was for a term of three years from September 5, 1859, and expired September 5, 1862. I know nothing about the ownership of that contract, or the profits of it, or who were interested in it, beyond what appears in the original contract and in the power of attorney made by the contractors to Messrs. Stevens & Wyman, copies of which are in the possession of the committee. I found the contract in operation when I was appointed collector, and so long as the work which it called for was properly done I could not interfere with the contractors, nor limit nor disregard the rights secured to them by the contract. I held the contractors to a strict performance of the work, and recognized no one but them. I had no knowledge of any change of ownership or interests under it. I was not approached on the subject and knew nothing and heard nothing about it.

Question. Now, Mr. Barney, do I understand you to say you had

no knowledge previous to the transfer of the labor contract to Stevens & Wyman that such a transfer was contemplated?

Answer. I wish to be so understood. I had no such knowledge.

Question. Did you intimate to any one that unless the contract was transferred the general-order business would be taken away from McIntyre, Bixby & Co.?

Answer. I did not. I never made any such statement to McIntyre, Bixby & Co., or to any one of that firm, or to anybody else, and I never authorized any such statement to be made. I never thought of such a thing. The labor contract was not connected in any way with the general orders, nor with any action taken by me in reference to the general orders. I never did any act or thing in reference to any transfer of interest under the labor contract, and I never was interested, directly or indirectly, in or under it. I did not recognize the contract, except so far as the government had already recognized it; and, upon its expiration, I made arrangements, with the sanction of the Secretary of the Treasury, to have the work done by laborers employed by the day and under the immediate supervision of one of my deputies, and of clerks in the appraisers' stores.

Question. Do you know one Munson Gray?

Answer. I do. He was assistant storekeeper in the public store. He was removed by me on account of infirmities, incident, probably, to his advanced age, which, in my judgment, unfitted him for the duties of his office, and I removed him for no other reason.

Question. Had he any connexion with Stevens & Wyman, and did Stevens cause his removal?

Answer. I have no recollection that Stevens ever suggested his removal. He may have done so; but my action was the result of the considerations I have named, and of them alone.

Question. Did Stevens or anybody, within your knowledge, interfere with the goods in the appraisers' store?

Answer. Only in a single case, to my knowledge.

Question. State your knowledge of that case.

Answer. The clerk having charge of the sample goods reported to me that Mr. Stevens had requested him to facilitate an irregular delivery of a package of goods, and that he had an altercation with him on the subject. I had given the clerk directions never to permit interference by any person with the strict and conscientious performance of his duties, and upon his statement I approved of his conduct on that occasion. I recollect no other case.

Question. Did you ever receive any explanation from Mr. Stevens in respect to this package?

Answer. I think Mr. Stevens, in making complaint, as he did, against the clerk for his manner towards him, explained to me his views of the case, and said he considered he had a right to do what he had done, and that the clerk was offensive in his manners. The name of the clerk was George Bisbee.

Question. Do you know anything about the fitting up of any office in the public stores on Broadway for any person?

Answer. A room was assigned to the contractors convenient for

the supervision of the laborers, and for hearing any complaints that might be made of the manner in which the work was done. It was fitted up, not at the expense of the government, but at the expense of the contractors.

Question. Did you ever authorize any expenditure of government funds upon it?

Answer. I never authorized nor allowed any such expense, and no such expenditure was ever made by me or by the government, to my knowledge. After the stores on Broadway were leased by the government, some repairs were made, and several offices were partitioned off for the various parts of the business. One of these offices, as I understand, was assigned to the contractors, as they had previously had a room in the Broad street stores; but they fitted it up and furnished it at their own expense, and not at the expense of the government. Mr. Bixby, one of the original contractors, and who superintended the labor, informs me that he paid the expense himself for the contractors.

Question. You have given a statement of your own receipts as collector. Have you any knowledge of the receipts and emoluments of the collectors before you—your predecessors?

Answer. I have a general knowledge derived from the statements of the auditor, and from an examination of the books in his office. These statements of the auditor show all the receipts of the collectors, but they do not show the amounts paid by them from those receipts for information upon which seizures are made or suits for the recovery of the value of goods fraudulently entered are prosecuted. Informers, whether public or private, are paid out of the moiety of the revenue officers from the proceeds of seized goods or recoveries. The payments to private informers do not appear in the auditor's accounts. He has no official cognizance of such payments. They are made in pursuance of arrangements between such informers and the revenue officers. The amounts thus paid are considerable. The amount paid during my term of office, or twenty-one months, I cannot state now with accuracy, but believe it to be about \$8,000. In forming an estimate of the income of collectors, regard should be had to these payments, which are a necessary incident to the detection of frauds and the enforcement of the revenue laws. The amount received by Mr. Schell, over and above his salary, during his term of office and since I think, is \$53,000, or thereabouts. The receipts of former collectors on account of seizures were, I think, much less than those of Mr. Schell.

Question. Are there any seizures or confiscations still pending from which Mr. Schell will receive any emoluments hereafter?

Answer. A few, perhaps.

Question. Can you estimate about how much?

Answer. I cannot. The cases are in litigation, and the amount to be realized cannot be properly estimated at any considerable sum.

Question. How much did Mr. Redfield receive?

Answer. I think less than \$40,000, or \$10,000 a year; and Mr. Maxwell still less.

Question. Have the duties of the collector of this port, in reference to seizures, been increased, or otherwise varied from what they were under former collectors?

Answer. The duties of the collector, in reference to that branch of the business, are the same that they have been; and, as to the amount of it, it varies from time to time according to the number of seizures made.

Question. Is the number of seizures greater or less now than in corresponding periods in former years?

Answer. I am unable to state that without reference to the books; but I should think the number much greater.

Question. Is there anything further in reference to seizures, which you can communicate that will throw light on that subject?

Answer. I will remark generally that the number of seizures would, for a time, be increased by extraordinary vigilance and activity on the part of the revenue officers. After such vigilance and activity become notorious, that would tend to diminish the number of seizures. When officers are notoriously lax or inefficient, the smugglers and defrauders are bold and successful; when officers are notoriously active, intelligent, and vigilant, the violators of the revenue laws are timid and cautious. When attempts to evade or violate the revenue laws do not promise success, those who engage in such fraudulent practices suspend or abandon such pursuits for a time, at least. Questions relating to seizures arise daily, and frequently many times a day, which, with the other duties of the office devolving upon the collector, render it impossible that he should fully possess himself, by his own examination, of all the facts in every case. I have, therefore, devolved the examination of such cases, and other duties in reference to that branch, upon a deputy collector, Mr. Stanton, who is a lawyer by profession; and he, together with the naval officer, surveyor, and their deputies, attend mainly to that branch of the business. The direct responsibility, however, for all seizures, necessarily devolves upon the collector alone.

Question. Was there a similar officer charged with the like duty under your predecessors?

Answer. So far as I know, my predecessors devolved the duty of examining cases of seizure upon officers in the collector's department, together with officers in the surveyor's department.

WASHINGTON, *January 26, 1863.*

WM. T. DUVAL SWORN :

Question. Where do you reside?

Answer. In Washington.

Question. What is your business?

Answer. I am not of the firm, but I am with the firm, of Duvall & Brothers, tailors and clothing merchants, on Pennsylvania avenue.

Question. How long have you been in that business?

Answer. I was raised in it.

Question. Do you consider yourself a competent judge of clothing?

Answer. I do, of certain qualities coming within the range of clothing we have been in the habit of manufacturing and dealing in. Beyond that I do not consider myself a judge.

(A coat marked "U. S. inspection, New York, A. Clark, N. Y.," being the same coat in reference to which A. Clark testified in New York, was here handed to witness.)

Question. Please look at the coat I hand you, and inform me of what material it is made?

Answer. It is a kind of Petersham, or something which represents Petersham, in its outside appearance.

Question. Upon examination, does it appear to be cloth or felting?

Answer. It does not appear to be woven cloth, but I do not know exactly what to call it.

Question. Do you know whether or not, such kind of stuff is usually called shoddy?

Answer. I do not.

Question. What is your judgment of the material in that coat?

Answer. I cannot think that it would do much service.

Question. For what reason?

Answer. From the experiments made upon it here to test its strength, and because it is not a woven cloth.

Question. What should you judge would be the cost of making such a coat as that, and making it as this is made?

Answer. That would be a mere matter of judgment, because I do not know what persons give for making that kind of goods.

Question. Should you think \$1 50 would pay for the making?

Answer. I do not suppose they pay less than \$1 50. There is no kind of coat we could make up in our store that would be worth less than six dollars, unless it might be the thinnest kind of summer stuff; and I do not know what such a coat as this would be considered worth.

Question. Do you consider the coat, as made, of any practical value?

Answer. I should not think it would do much service.

Question. Is it of small size?

Answer. It is what we would call a medium-sized coat.

Question. Would it be of any value for shedding rain?

Answer. I do not know what to say about that. If the rain was not exceedingly heavy, I suppose it would cast off the water; but if the rain was heavy the coat would soon become very uncomfortable by being saturated with water, as it is of rather a spongy material. I should judge that a soldier, much exposed, ought to have a heavier coat. This is rather light for soldiers' use.

NEW YORK, *January 24, 1863.*

Colonel D. H. VINTON recalled:

Questions by Hon. R. E. Fenton.

Question 1. What is your official position and place of business?

Answer. My official position is deputy quartermaster general of the army of the United States, in charge of the clothing and equipage depot at Nos. 502 and 504 Broadway, New York city.

Question 2. Will you state in regard to a contract for clothing (great coats) with Amos Clark, of this city, about the 1st of October, 1861, the circumstances under which it was made, the price paid, the kind and quality of cloth, and all you know touching the transaction?

Answer. No contract was made with Amos Clark for great coats at the time referred to; but I ordered of him, as then was my custom, (for reasons heretofore given to the committee,) six thousand great coats, of black Petersham felt cloth, at \$6 each, from a sample of material presented to me, which was considered cheap at that price, and, under the circumstances, would be serviceable and comfortable garments for the want of better. Of these "circumstances" I beg leave to refer you to a passage in the annual report of the quartermaster general of the army to the Secretary of War, dated November 18, 1862, which I quote, as follows, as the reasons which induced a resort to that kind of clothing, instead of such as was established by army regulations:

"When the rebellion first compelled the government to call out a large force the stock of clothing on hand in the arsenals, being intended only for the supply of the regular army, about 13,000 strong, was inconsiderable. The manufacture of cloth and materials of army clothing occupied but few of the factories of the country, and the stock of clothing and material was at once exhausted. There was great difficulty in supplying the large force suddenly raised. The organization of this department did not furnish enough officers of experience to provide and distribute to all parts of the country the necessary supplies. The mills, which were at once set to work upon army goods, could not manufacture fast enough to clothe the troops. There was a great scarcity of suitable blankets and army cloths and under garments.

"The troops being received generally through the State authorities, these authorities were engaged to assist the department in providing the necessary supplies. Large importations were made by merchants, and the goods thus imported were bought by the State authorities and by the quartermaster's department, and manufactured by contract, or in the establishments, into clothing. As the cold weather approached, the troops in some cases for a time suffered for want of overcoats and blankets. Under these circumstances, and to supply the immediate and absolute necessities of the suffering troops, large quantities of such materials as could be found in the market in the hands of dealers and manufacturers—materials manufactured for the ordinary clothing of the people—were purchased and made up.

In some cases these articles were redyed, of the uniform colors—light and dark indigo blue; but the greater part of the gray, brown, and black cloths purchased were made up in those colors. For a time they were gladly received, and they prevented much suffering. But these materials were inferior to the army standard goods. When the troops came in contact with the enemy on thickly-wooded fields mistakes occurred. The rebel forces were generally clothed in gray; and our own troops in some cases fired into each other. This caused orders to be issued, both by the eastern and western commanders, prohibiting the issue or use of clothing of any but the established uniform colors—light and dark blues.

“As fast as uniform clothing could be obtained the irregular clothing was withdrawn from service. A great prejudice now exists against it, and the department has been the subject of unjust criticism for its action in the matter. The material was undoubtedly inferior to the excellent army cloths, and in making the immense purchases required the officers of the department were in some cases imposed upon by unscrupulous dealers and unfaithful inspectors. But the troops were clothed and rescued from severe suffering; and those who saw sentinels walking post about the capital of the United States in freezing weather in their drawers, without trousers or overcoats, will not blame the department for its efforts to clothe them even in materials not quite so durable as army blue kersey.

“There is still on hand a considerable stock of this clothing, which it has been thought better to keep in store than to sacrifice at auction. It is used for gratuitous issue to soldiers in hospital who have lost their clothing in consequence of wounds or disease. Some of it has been issued to prisoners of war in distress, both rebel prisoners and our own men released on parole, and some of it to negroes employed in the army. In time it can all be disposed of in these modes, and in the chances of war it is not impossible that this reserve of irregular clothing may yet prove of value to some portion of the armies in the field.”

Question 3. Do you know—in regard to the coat brought before this committee—of its worth or worthlessness, and what amount was received of that quality?

Answer. I have already stated that 6,000 of the kind of great coat referred to were purchased, and the price of the same. As to the value of the article, I can only say that it was worth the price paid for it; but if its worthlessness is to be established from the appearance of the coat exhibited to me by your honorable committee, I can but consider it as good for nothing. It had been torn and otherwise mutilated in such a manner as to make it undistinguishable as one I had purchased, apparently in a wanton manner, to give effect to certain misrepresentations that had been made in a public print regarding it.

Question 4. Were contracts made with other parties for the same or similar kind of goods; with whom, and at what price?

Answer. No contracts were made with other parties for the same or similar kind of goods; but orders were given, or purchases in open

market were made, for similar articles. For instance, on the 7th of October, 14,700 were ordered of A. T. Stewart & Co., and on the 23d of October 1,500 more, of which 13,240 were received, at \$7 each. I beg leave to add that Mr. Clark is in nowise responsible for complaints made against the coats in question. He performed his duties in his bargain with me, and has always proved himself an honorable and upright merchant in his transactions with this office. In my letter of the 31st ultimo to Hon. E. B. Washburne, chairman of your committee, I stated that the great coats in question had been issued to invalid soldiers *gratuitously* through the medical department. This, from further observation and inquiry, I believe to be correct.

D. H. VINTON,
Lieut. Col. and Dep. Quartermaster General.

NEW YORK, *Feb.* 14, 1863.

GEORGE W. YERBY, sworn.

Question. Where do you reside?

Answer. In New York.

Question. What is your business?

Answer. I am a broker and agent.

Question. What kind of a broker?

Answer. In almost all kinds of merchandise, government supplies, &c.

Question. What kind of an agent?

Answer. For prosecuting claims before the departments at Washington and here.

Question. Have you had any contracts with the government since the breaking out of the rebellion?

Answer. I have had no direct contracts.

Question. Have you had any indirect contracts?

Answer. I have sold goods to parties who supplied the government.

Question. What kind of goods, and to what parties?

Answer. I have sold army clothing to Col. Vinton, assistant quartermaster general here.

Question. To what extent?

Answer. Probably fifteen to twenty thousand dollars, worth of clothing and blankets.

Question. For what party did you sell that lot of clothing?

Answer. The blankets were sold for a man by the name of George B. Callendine.

Question. And the clothing, for what party?

Answer. The clothing was sold for a man by the name of Neuberger.

Question. To what amount?

Answer. Probably fifteen or twenty thousand dollars worth; I do not recollect now the exact amount. There were other things I sold, such as hosiery and things of that sort, of which I do not recollect the amount or the date of sale.

Question. Were they large in amount?

Answer. No, sir, all I sold to Col. Vinton would not probably exceed \$25,000.

Question. What was the reason that those parties did not deal directly with Col. Vinton?

Answer. The property of one of the parties was in Philadelphia.

Question. What party was that?

Answer. Mr. Neuberger.

Question. Is that any reason why he could not deal directly with Col. Vinton?

Answer. I presume the reason he employed me to sell the property was because I was in the habit of going there, and knew him. I charged him a small commission only for doing the business.

Question. What commission did you get?

Answer. Two and a half per cent., the regular brokerage on merchandise

Question. What was the advantage to the parties for whom you acted in employing you, and paying you two and a half per cent., instead of doing the business themselves directly with Col. Vinton?

Answer. I cannot tell. It is the custom here to employ brokers in the sale of almost everything.

Question. Have you any particular facilities for effecting sales?

Answer. None whatever.

Question. Have you had any other connexion with government contracts beyond what you have already stated.

Answer. Yes, sir; some long time ago I had some gun contracts, and I have had some recently.

Question. State what those gun contracts were you had a long time ago.

Answer. Those contracts were carried out a year ago last fall.

Question. State the particulars with regard to those contracts, with whom made, &c.

Answer. I was acting as broker, and sold a number of guns to go to St. Louis, as I understood it. I delivered them here.

Question. What was the number of guns you sold then; to whom did you sell them; and at what price?

Answer. It is impossible to remember the price, as the transaction was a long time ago.

Question. What was the number?

Answer. There were probably 7,000 or 8,000.

Question. With whom did you make the contract?

Answer. I made the contract with Mr. John Hoey.

Question. Who is he?

Answer. Superintendent of Adams & Co.'s express.

Question. You sold them to him?

Answer. Yes, sir; that is, I procured the guns; took a sample to him; some of the guns were satisfactory, and some were rejected. I understood from him that those guns were sent to General Anderson.

Question. Have you sold any guns to the government?

Answer. No, sir.

Question. Was this an indirect sale to the government?

Answer. I presume the guns went to the government.

Question. Did you have anything yourself to do with the government?

Answer. No, sir.

Question. Did Hoey hold himself out as an agent of the government?

Answer. He held himself out as purchasing for himself; what disposition he made of them I do not know.

Question. From whom did you receive pay for the guns?

Answer. From Mr. Hoey.

Question. What kind of guns were they?

Answer. There were different kinds. Some of them were Prussian rifles—not very good guns. They were sold for about seven dollars, I think. Then there were some which were a kind of second-hand Springfield gun, or rather second quality. They probably had been used somewhat, and I think they sold for ten or ten and a half dollars. There was one lot of Springfield rifles which were got of Colt's Manufacturing Company; they were imperfect when Colt bought them, and he took them to his factory and put them in nice order. Those I sold.

Question. Did you sell all these guns to Hoey?

Answer. Yes, sir.

Question. What was this last lot of repaired Springfield guns sold for?

Answer. My impression is they were sold for about \$10 50 each. Had I held them a month or so longer they would have sold for fifteen or sixteen dollars.

Question. How came Hoey, as superintendent of Adams & Co.'s express, to be speculating in guns?

Answer. I do not know.

Question. Do you know whether it was for, or on behalf of his company?

Answer. I should think not.

Question. Is he a man of means?

Answer. Yes, sir.

Question. What were your profits on all the arms you sold to Hoey?

Answer. About \$4,300.

Question. From what did you gather the conclusion that the guns were for Gen'l Anderson, at Louisville, or Jeffersonville?

Answer. Because I was told so by some person; I think Hoey told me so. It has been so long since that I cannot recollect all that occurred at the time. The whole matter has been settled a year or fifteen months.

Question. What are the recent transactions in guns to which you alluded?

Answer. It was a transaction in which a lot of 8,360 Enfield rifles were sold to Robert Dale Owen. That was in September last.

Question. By whom were those rifles sold?

Answer. By Joseph Kirkpatrick.

Question. At what price?

Answer. At \$17 85, I understand.

Question. From whom did you understand so?

Answer from Kirkpatrick himself?

Question. Where was this contract made?

Answer. In reference to those matters, I can only testify from what Kirkpatrick and Mr. Martin and Mr. Owen told me.

Question. What did they tell you?

Answer. I will commence and tell the transaction from the beginning. In the beginning I had placed in my hands two samples of Enfield rifles of a lot of 8,360. I called upon Kirkpatrick because we had had something to do in such matters before. He stated to me that he had some person to whom he thought he could sell those Enfield rifles. He took the samples from my office. He went to the Ocean Bank in this city with them. The agreement between Kirkpatrick and myself was, that whatever profit was made in the sale of those guns should be equally divided. The guns were given to me at \$16 50 each, and they were sold to Robert Dale Owen at \$17 85, at the Ocean Bank, through Mr. D. K. Martin, the president of the Ocean Bank, as I understand it, Mr. Martin furnishing the money for the State of Indiana. This is what Kirkpatrick tells me. Martin told me the same thing.

Question. What did you pay for them?

Answer. They were given to me for \$16 50 each.

Question. That is to say, that is the sum at which you were authorized to sell them?

Answer. Yes, sir. The understanding with Kirkpatrick was, that whatever was made between \$16 50 and what they sold at we should divide.

Question. Did you divide?

Answer. No, sir. When I came to have a settlement with Kirkpatrick he proposed to pay me \$836, alleging to me that the whole matter had changed, and that Mr. Martin and Mr. Owen had employed him as a broker to buy those guns, and that all he could make out of the transaction was \$1,672, one half of which he gave me. The reason he gave for that was, that Owen and Martin wanted this money—that is, the difference between what he received and the \$1,672—for political purposes; and that balance was kept by them.

Question. I understand you then that the guns were in the first place to be charged at \$16 50?

Answer. That was the price they were put to me at.

Question. And Mr. Kirkpatrick made a sale of them at \$17 85 each through Mr. Martin, president of the Ocean Bank, to Mr. Owen, as agent for the State of Indiana?

Answer. Yes, sir.

Question. And after the trade and sale was made you went to Kirkpatrick, and instead of paying you one-half of the profits, as he agreed to do, he only proposed to pay you \$836?

Answer. Yes, sir.

Question. After the transaction was closed he gave that as an excuse to you?

Answer. He gave this as an excuse before the sale was closed, that it was a very difficult thing to make a sale.

Question. I understand you that the sale was made at \$17 85?

Answer. It was, but I was probably getting along with the story rather too fast. He said it would be a difficult thing to make a sale, that Owen was hard to please, or something of that kind, and if it was done at all it could only be done by his simply acting as agent for them in the purchase, and that instead of making something very handsome out of it we could only make 20 cents upon each rifle.

Question. I understand you that the sale was actually made at \$17 85?

Answer. It was actually made at that price, as I understand from Mr. Martin, Mr. Owen, and Mr. Kirkpatrick.

Question. But when you came to demand your portion of the profits upon the basis of \$16 50 and \$17 85, Kirkpatrick gave you as his reason for declining to pay you one half of that difference that the whole thing had been changed?

Answer. Yes, sir.

Question. How could it have been made after the trade was made?

Answer. As I proposed to explain a moment ago, this thing was named to me previous to the sale of the guns. Kirkpatrick came to me and said this, that it would be difficult to make a sale, and if it was made at all it could only be made by his buying these guns, acting simply as a broker, and receiving for his trouble twenty cents on each gun. My reply was, that it was nothing like what we expected to make, but sooner than have the sale fall through and make nothing at all I would consent that they might be sold at that price.

Question. At what price?

Answer. He did not name the price at all. He said we should make between us twenty cents on each rifle.

Question. Then instead of selling at \$17 85 each gun, he sold for \$16 70?

Answer. After this thing had been going on several days, after I had given the samples to Kirkpatrick and he had seen Owen, Kirkpatrick came to me and said the whole matter had changed, that the sale could not be made unless he acted simply as broker to purchase those guns for Martin and Owen. Well, it was natural for me to ask what we were going to make out of the transaction. He replied, only twenty cents upon each rifle, which would be ten cents a rifle for each of us. I said if that was the best that could be done, and if the sale could not be made except upon those terms, why let them go. Then he gave me as the reason why that was all that could be made was, that there would be a handsome profit made out of the guns, but that whatever was made over and above that Mr. Owen and Mr. Martin wanted for political purposes.

Question. Did you ever understand anything from Mr. Martin or Mr. Owen in reference to this matter?

Answer. Yes, sir, I called upon them in reference to the subject.

Question. Did you tell them what Kirkpatrick had said?

Answer. Yes, sir.

Question. That the amount between \$16 70 and \$17 85 had been taken for political purposes?

Answer. Yes, sir, and I asked them that question. They said it was not so. I then told Kirkpatrick what Martin had said, and he

said to me that Martin had replied to me just as any man should have replied under the circumstances.

Question. What did he mean by that—that Martin had lied about it, or that it was proper for Martin to lie?

Answer. I do not know. When I found there was so great a discrepancy between the two statements I concluded I would go and see those gentlemen. I went to them and asked them the direct question, who got the difference between \$16 50 and \$17 85 on each of those rifles. Their reply was that Kirkpatrick had received it. I then went to Kirkpatrick and asked him if he would go and see Martin with me. He said he would not. I then told him that I had seen Martin, and what Martin had said.

Question. Kirkpatrick had a direct interest, had he not, in representing to you that this amount, instead of going into his own pocket, was taken by Owen and Martin, in order to cheat you out of your portion of the profits?

Answer. Yes, sir, if he had a mind to lie to me.

Question. Do you know of your own knowledge, or have you any reason to believe, that Owen or Martin put any portion of this amount into their own pockets for any purpose whatever, or applied the same to any particular purpose, political or otherwise?

Answer. I have no reason to believe so, except from what Kirkpatrick had said, and from the fact that I do not believe that Martin would advance one hundred and fifty or two hundred thousand dollars without making something out of it. Afterwards, Martin told me that the guns were turned over to the government.

Question. Did not you understand that they were purchased in the first instance for the government?

Answer. I understood that they were purchased for the State of Indiana.

Question. You understood that from Martin?

Answer. Martin told me that the guns were sold to or were turned over to the government, or something of that kind.

Question. Did I understand you to say that Martin advanced the money for the State of Indiana?

Answer. I understand that Owen, as agent of the State of Indiana, had no money here to use for that purpose, and that Mr. Martin or his bank advanced the money.

Question. Who did you understand that from?

Answer. From Kirkpatrick, Mr. Martin, and also, I think, from Mr. Owen.

Question. Was the money advanced upon the credit of the State?

Answer. So I understand.

Question. Did I understand you to say that afterwards you understood from Mr. Martin that the guns were sold to, or turned over to, the government of the United States?

Answer. Yes, sir.

Question. Did he give any reason at that time why the guns did did not inure to the State of Indiana?

Answer. He said nothing about it.

Question. Did Owen say anything about the guns being turned over to Indiana?

Answer. I did not understand anything of the kind from him.

Question. Did you understand from Owen, in any conversation, for whom he purchased those guns—either for the State, or for the general government, or for his and Martin's own benefit?

Answer. I do not think I understood from Owen anything directly about that.

Question. From whom did you understand that?

Answer. Martin told me in his office that these guns were purchased for the State of Indiana, that he advanced the money to pay for them, the agent of the State having no money here.

Question. That he advanced the money upon the credit of the State?

Answer. I supposed so, of course.

Question. From whom did you understand specifically that these guns were purchased for the State of Indiana?

Answer. I understood it from Kirkpatrick, and from Martin.

Question. Did you understand it from Owen, also?

Answer. I am not positive whether he told me so or not. The conversation I had with Owen was a short one. I went to see him simply to ask him in relation to the other part of the business—that is, in reference to where the profits went.

Question. Have you and Kirkpatrick settled?

Answer. No, sir.

Question. Are you in the process of settlement?

Answer. I have sued him, and have had him arrested.

Question. For what have you sued him?

Answer. For one-half of the difference between \$16 50, and \$17 85 on each gun, after deducting therefrom \$836.

Question. Did you receive \$836 from him?

Answer. Yes, sir.

Question. Was that receipted for in full?

Answer. It was.

Question. Did not that conclude you from suing?

Answer. No, sir; because it was obtained by misrepresentation.

Question. You have stated that this balance was to go for political purposes?

Answer. Yes, sir; but Mr. Owen and Mr. Martin say it was not.

Question. I understood you to say that you did not know whether it was so; that you had not made up your mind?

Answer. I thought Mr. Martin would not go into a matter of that magnitude without making something out of it.

Question. Do you think that Mr. Martin or Mr. Owen received any of that difference, the half of which you are suing Kirkpatrick for?

Answer. It is difficult to make up my mind about it. I am suing and I expect by that means to ascertain the facts.

Question. Kirkpatrick insists that this money, instead of going into your and his pockets, went into the pockets of Mr. Martin and Mr. Owen, for political purposes?

Answer. Yes, sir.

Question. And by bringing a suit I understand you to deny it?

Answer. I want to find out where the money is. If Kirkpatrick received it half of it belongs to me; if Owen and Martin received it, it does not belong to me.

Question. If they received it for political, or any other purposes, you do not regard it as belonging to you?

Answer. I do not, because I agreed, if his statement was true, and they received the money for that purpose, the settlement I made was to be final.

Question. And you have brought a suit to test the matter?

Answer. Yes, sir.

Question. Is Kirkpatrick a man of responsibility?

Answer. I think so.

Question. Is he able to respond to any judgment you may be able to obtain against him?

Answer. I hope so.

Question. When does that suit come off?

Answer. I suppose some time next month.

Question. At the time of this gun contract was Mr. Owen spending most of his time in New York?

Answer. I understood so.

Question. For what length of time had he been engaged in purchasing arms either for the government or for the State of Indiana, according to your understanding?

Answer. I had understood, I should think, for more than a year previous to this transaction, that he was in New York as an agent of the State of Indiana.

Question. Had he an office here at the time?

Answer. He had his headquarters with Winslow, Lannier & Co., in Wall street.

Question. Is this the only transaction you have had of the kind?

Answer. That is the last one I have had.

Question. Who is your attorney in this city?

Answer. D. C. Birdsell.

Question. Has he any knowledge of these facts, except through you?

Answer. No, sir; I think not.

Question. Whom have you subpoenaed as witnesses in the suit?

Answer. I have not subpoenaed any.

Question. Whom do you propose to subpoena?

Answer. There is only one party, except those I have mentioned, who knows anything about this matter.

Question. Who is he?

Answer. W. S. Crawford. He is a young man who was in the office with me at the time.

Question. Was not the agreement put in writing?

Answer. No, sir.

Question. What would have been the amount of your profits if this arrangement had been carried out?

Answer. About \$5,000.

Question. To whom did those guns belong?

Answer. They belonged to Colt's Manufacturing Company.

Question. The Manufacturing Company were paid \$16 50?

Answer. So I understand.

Question. The guns at the time were ready for delivery?

Answer. Yes, sir; they were in the store here at the time. They were Enfield rifles, made, of course, on the other side, but imported by Colt's Manufacturing Company, and entered at the custom-house here, and were sold here.

Question. Do you know anything about these guns being sold to the United States government for an advance of three dollars each?

Answer. I do not.

Question. Have you seen a newspaper article making that statement?

Answer. I have.

Question. Do you know upon what that article was founded?

Answer. I do not.

Question. Do you know how that article got into the newspapers?

Answer. I do not.

Question. Did you know anything about it before you saw it in the papers?

Answer. No, sir.

Question. Do you know how the editor got what he purports to state as facts in that article?

Answer. I think Mr. Birdsell, my attorney, was talking about this matter with some one connected with the *Express* newspaper.

Question. Then you think this article had its origin through Mr. Birdsell, your attorney?

Answer. I took the paper to him and asked him if he wrote the article. He said he did not.

Question. What did he say?

Answer. He said he had had some conversation with some one connected with the *Express* office.

Question. Did Mr. Birdsell have any knowledge that these arms were sold to the United States government for three dollars advance each?

Answer. I do not think he had; but I do not know. I should think that anything Birdsell might say about the matter would simply be from the affidavit I made in the commencement of this suit against Kirkpatrick.

Question. Did you make any statement of that kind in your affidavit?

Answer. I did not.

Question. Do you think that Birdsell drew upon his imagination for this statement?

Answer. I do not think he made that statement.

Question. Where did the paper get the authority for making that statement?

Answer. I cannot tell.

Question. What is the character and standing of the Ocean Bank?

Answer. It is a bank of good standing.

Question. What is the character of Martin as president?

Answer. I think he is a very correct and clever man.

Question. Is he a man of truth and veracity?

Answer. I presume so.

NEW YORK, *February 14, 1863.*

DANIEL C. BIRDSELL:

Question. Where do you reside?

Answer. In New York.

Question. What is your business?

Answer. I am a lawyer.

Question. Do you know anything in relation to any contracts with the government since the breaking out of the rebellion?

Answer. No more than what I have learned as counsel for Mr. Yerby. He commenced a suit against Mr. Kirkpatrick for commissions on a gun contract—guns sold to Robert Dale Owen.

Question. What do you know about that contract?

Answer. I know nothing except by hearsay—from what Mr. Kirkpatrick and Mr. Yerby have said.

Question. Did you institute a suit?

Answer. I did. The complaint sets up all I know about the matter. I have also an order of arrest. I have Yerby's statement and Kirkpatrick's answer.

Question. The suit was commenced against Mr. Kirkpatrick by Mr. Yerby for the purpose of recovering his portion of the commissions on the sale of certain guns to Robert Dale Owen, agent of the State of Indiana?

Answer. Yes, sir. Mr. Yerby obtained the guns for \$16 50 each, and he and Kirkpatrick entered into an arrangement by which Kirkpatrick was to sell the guns, and they were to divide the profits. Mr. Yerby says, and also Mr. Crawford, who heard the arrangement, that Kirkpatrick told Yerby that he had sold the guns for \$17 85 each, thereby making a nett profit of \$1 35 on each gun. Subsequently Kirkpatrick came to Yerby and told him that the contract would have to fall through unless he would consent that they should take a profit of twenty cents on each gun; that Martin, the president of the Ocean Bank, who was to advance the money, was to retain the balance—\$1 15 on each gun—for the purpose of aiding to carry the republican State ticket in Indiana, and consequently they would only make ten cents each man as profits upon the guns. Mr. Yerby then said that he had had the guns on hand to sell for some time, that he would rather make a little than make nothing, and that he would let them go rather than have them on hand longer.

Subsequently some one told Yerby that Kirkpatrick had swindled him; and so he goes to Martin and asks him if he had made these statements to Kirkpatrick. Martin said he had not. I had no personal acquaintance with Martin, and I sent a young man down to a director of the bank, a client of mine, to get a letter of introduction to him. He brought me the letter, and I went with it to Martin.

Martin appeared very abrupt and ungentlemanly towards me about the matter, especially coming, as I did, with a letter of introduction from a director of the bank. He said he had nothing to do with the matter except to advance the money to the State of Indiana, and that Mr. Kirkpatrick got the full price of the guns—\$17 85 each. I said to him: "Kirkpatrick says you have retained \$1 15 a gun" for such and such purposes. He replied: "Kirkpatrick never made any such statement."

Question. When he told you he had paid Kirkpatrick the full amount of the profits did you understand it to be a denial that he had taken this amount?

Answer. I did not understand it as a denial. I thought he might have paid him the full amount and still have had an arrangement with Kirkpatrick by which he would pay it back. I asked him if he had ever heard the statement of Kirkpatrick. He said Kirkpatrick said he never had said so. I said to Yerby, after leaving, that Martin had acted ungentlemanly and discourteously; that I could not get anything out of him, either by way of denial or admission. I made that remark immediately after going out of the bank.

Question. Did you, or not, commence the suit on the assumption that Kirkpatrick had received the whole of this amount?

Answer. I did.

Question. Do I understand you to say that after you had this conversation with Martin you considered it doubtful whether Kirkpatrick had received this amount?

Answer. I considered that Kirkpatrick had received the amount, but as to what he had done with it, whether he had paid any portion back to Martin, or to other parties, I knew nothing. I did not consider that I had any answer from Martin as to whether Kirkpatrick had paid it back. I considered that Kirkpatrick had been paid the amount and brought the suit accordingly. Kirkpatrick in his answer admits that he received the whole amount.

Question. How long since that answer was filed?

Answer. It was served February 4, 1863.

Question. Does the defendant, Kirkpatrick, set up that he paid out any of this money for political purposes?

Answer. No, sir.

Question. Will you furnish the committee a true and correct copy of Kirkpatrick's answer to the suit, and consider it a part of your sworn evidence?

Answer. I will

The following is the paper subsequently furnished the committee by the witness:

NEW YORK SUPERIOR COURT.

GEORGE W. YERBY }
 ag't }
JOSEPH KIRKPATRICK. }

The defendant above named for answer to the complaint in this action says :

First. That he denies each and every averment in said complaint, inconsistent with the answer or any part thereof.

Second. That he never agreed with said plaintiff to give him an equal half of the proceeds of the sale of all or any part of the rifles or boxes mentioned in said complaint ; that the only agreement, arrangement, understanding or promise between him and the said plaintiff, in regard to said rifles, arose out of the following facts and circumstances, and was as hereinafter stated. The said defendant wished to purchase a number of Enfield rifles, and so stated to the plaintiff, who said that he had ten thousand for sale which belonged to another party, but afterwards proved to belong to other parties ; he showed defendant a sample of them, and at the request of defendant introduced him to the represented owners of the rifles, that defendant might purchase them ; the plaintiff allowed that they could not be bought for a less sum than sixteen dollars and a half each ; the defendant told him, in substance, to introduce him to the party having the rifles for sale, that the defendant would make the best bargain for them ; that he could, and, in the event of purchasing them, would take care of the plaintiff, meaning that he would compensate him ; the defendant being introduced by plaintiff, purchased at the price named above the lot for sale, supposing they were ten thousand in number, and afterwards sold them on his own account and for his own benefit for seventeen dollars and eighty-five cents each, to the agent for the State of Indiana, and so informed the plaintiff after the last-mentioned sale ; stating in substance to the plaintiff at the same time that in view of the sale the defendant could afford to and would pay him ten cents on or for each of said rifles, which percentage or reward the said plaintiff then and there agreed to take, and declared himself sufficiently satisfied with and grateful for ; but the number of rifles actually sold and bought were but eight thousand three hundred and sixty.

Third. That before said transaction the defendant had lent the plaintiff two hundred dollars, for which he held plaintiff's note ; that before said transaction was finally consummated he made the plaintiff an advance of a sum, for which defendant took a receipt, and on the twenty-fifth day of October, 1862, the defendant paid the plaintiff in full the ten cents per rifle, agreed upon as aforesaid, by delivering to him the note and receipt aforesaid and the difference between their united amounts and the sum of eight hundred and thirty-six dollars, for which the plaintiff then and there gave the defendant a receipt, and this payment discharged and was taken and intended to be a full payment and satisfaction of any and every claim the plaintiff had upon

the defendant in reference to said rifles or any of them ; that the plaintiff before such payment and at the time thereof well knew that the defendant was to receive for said rifles seventeen dollars and eighty-five cents each, as before stated.

Fourth. That there was no agreement, arrangement, promise or understanding between the defendant and the plaintiff that the plaintiff should in any way derive any benefit from the sale of the four hundred and eighteen boxes containing the said rifles, or any of them which were purchased at the amount stated in the complaint, or from the amount procured therefor by the defendant, being two dollars and fifty cents each, or from any part of said amount.

Fifth. That each and every statement in said complaint, to the effect that the defendant in any way deceived or defrauded the plaintiff, or made any false statement or representation to him, is untrue ; and is also untrue that he even stated to the plaintiff what is alleged in the third paragraph of said complaint, or anything of the same or similar import or meaning. It is also untrue that the defendant acted as agent or broker for the plaintiff, as alleged in said complaint.

Sixth. That the defendant is not indebted to the said plaintiff in any amount whatever, and the said plaintiff has no claim or demand against him of any nature or description.

Wherefore defendant prays that the complaint may be dismissed with costs.

WM. E. TRAPHAGEN,
Attorney for Defendant, 240 Broadway.

City and county of New York, ss :

Joseph Kirkpatrick, of said city, the defendant herein, being sworn, says that he has read the foregoing answer, that the same is true of his own knowledge except as to the matters therein stated on his information and belief, and as to those matters he believes it to be a true copy.

J. KIRKPATRICK.

Sworn before me this 4th day of February, 1863.

JOHN BALL,
Notary Public for city and county of New York.

Question. Did you see a slip in the newspapers touching this contract?

Answer. My attention was called to a notice in the Express touching this matter.

Question. From whom did they obtain that statement?

Answer. I have no knowledge on that point.

Question. Did you have any talk about this matter with any person connected with the Express?

Answer. I do not know but I might have had, as James Brooks and myself are personally intimate. I do not know that I have, and I would not like to say that I have not.

Question. In that article it is stated that the State agent, and a bank president of this city, sought to retain a large portion of the profits for political purposes. You recollect that part of the paragraph, do you?

Answer. I recollect seeing it.

Question. Do you know of whom the editor got that item?

Answer. I do not.

Question. He did not get it from you?

Answer. I might have talked with Brooks about the case, and about its being a singular one.

Question. It is also stated that the State agent sold those arms to the United States government for three dollars apiece more than they cost him. Do you know where that statement came from?

Answer. I do not. I never heard of it before I saw it in that statement.

Question. Do you know whether or not that statement is true?

Answer. I do not know anything about it.

Question. Did the editor, or any person connected with that paper, get that statement from you?

Answer. No, sir. I do not believe any portion of that article has been derived from anything I ever said to any person or persons. I say distinctly that those portions you have mentioned have not.

Question. Do you know of any person who can furnish the committee with information upon either of the main points involved in that article?

Answer. I do not.

Question. That is to say, your own knowledge has been derived solely from the sources you have mentioned?

Answer. Yes, sir, and in no other manner. I have no knowledge from what source any of this information came. I think, in talking to Brooks one night about these army frauds, about the time this suit was commenced, I said something to him about this case, but what it was I do not recollect. I certainly never knew anything about the State agent selling the guns to the government at an advanced price.

Question. About what time was that article published?

Answer. It was not a great while since. That article was not derived from anything I said. The whole latter part of it I never knew anything about until I saw it in the paper.

NEW YORK, *February* 14, 1863.

DAVID R. MARTIN, sworn :

Question. Where do you reside?

Answer. In New York.

Question. What is your business?

Answer. I am president of the Ocean Bank.

Question. Do you know anything of a contract for arms made by the agent of the State of Indiana, Robert Dale Owen, with Mr. Kirkpatrick?

Answer. I do.

Question. Please state all you know about it.

Answer. Mr. Robert Dale Owen, as agent for the State of Indiana, purchased in my presence from a Mr. Kirkpatrick eight or nine thousand Enfield rifles, for \$17 85 per gun. J. S. Harvey, treasurer of the State of Indiana, gave Mr. Kirkpatrick a check on the Ocean Bank for the entire amount. That is all I know about it, I believe.

Question. Do you know anything further?

Answer. Nothing pertaining to the guns. As to money matters, I loaned the State the money.

Question. Do you know anything about an agreement or understanding between Owen and Kirkpatrick, or any other person, that any portion of the amount should go for political purposes?

Answer. The thing is impossible.

Question. Do you say you do not know of any such thing?

Answer. I say I do not know of any such thing. It is about as impossible as that the heavens should fall. I know that the guns were purchased in my presence at \$17 85 each; and that Mr. Harvey came on here, and in my room gave a check for the guns at that price.

Question. Was there ever any conversation, or understanding, or agreement, or arrangement of any kind, that any portion of the amount should go for political purposes?

Answer. Never in my presence. When I saw that article in the newspapers, I thought the thing was so absurd that I called Kirkpatrick's attention to it. There never was a single cent paid, and the guns were purchased at least for from 50 cents to \$1 50 each less than they could have been bought, had I not secured them from Mr. Kirkpatrick before I saw Mr. Owen.

Question. Then you say there was never, to your knowledge, any suggestion of that kind?

Answer. Never. Not the least suggestion or intimation of any such kind or nature.

Question. The money was advanced by you to Mr. Harvey?

Answer. Yes, sir. The bank loaned the State some \$250,000, and afterwards Mr. Harvey drew his checks upon the bank for the amount.

Question. Did you receive anything for the advance of the money?

Answer. Only seven per cent. interest. I discounted a note, and when the general government paid back to the State of Indiana the money, less the interest, they came and paid the note, and we made a rebate on the note from the time the note had to run to maturity.

Question. Was Harvey here at the time?

Answer. He was here at the time the guns were paid for, but not at the time they were purchased. Governor Morton telegraphed me to know what 10,000 guns could be purchased for? That was the latter part of August or the first part of September, 1862. I tried the market pretty thoroughly and telegraphed back that they could be purchased for about \$20, cash. In his telegram he requested me to go to Schuyler, Hartly & Graham. I feel quite positive that their asking price was \$21, but I telegraphed Governor Morton that they could be purchased for \$20, cash. Three or four days afterwards

I received a telegram from Gov. Morton asking me if I could lend the State \$250,000 for four months, to purchase the guns with? I answered him, "I will: what shall I do?" I received a telegram two or three days afterwards saying, "Robert Dale Owen will be in New York to purchase guns. Consult with him." Mr. Owen called, talked about the guns, and proposed to buy for nineteen or twenty dollars, I forget which. I then stated to him that I had procured the refusal of these guns up to the next day at three o'clock, at \$17 85 each. We agreed to meet the man at my office the next day at two o'clock. They did meet, and examined the guns very thoroughly. They were a London-made gun and just such as Owen said he wanted, and without consulting me, he being the State agent, as he said, as to the propriety of purchasing them, he made the purchase at \$17 85 each, cash. Mr. Owen preferred to make an arrangement for the money with Winslow, Lannier & Co. He did make an arrangement with them, and they advanced enough to pay the duties on the guns, which was between forty and fifty thousand dollars. Mr. Jesse J. Brown came here at that time, expecting to assist Mr. Owen in the money matters; but Winslow, Lannier & Co. declined to advance the money for the purchase of the guns, and they then applied to me, and I advanced the money to pay back to Winslow, Lannier & Co., and all the money to pay for the guns, being in the aggregate from \$237,000 to \$240,000.

Question. The amount of money you loaned to the State was the amount necessary to pay for the guns at \$17 85 each?

Answer. Yes, sir; and the duties on the guns, the expenses of inspecting, boxing, and shipping, &c.

Question. Do I understand you that the duties had to be paid by the State, in addition to the \$17 85?

Answer. Yes, sir; I suppose Owen could have gone to Washington and had that remitted, but he did not perhaps think he could, and so the duties were paid. All that, however, was refunded afterwards.

Question. Do you, of your own knowledge, know the amount which was refunded by the government—whether it was the full amount you loaned the State?

Answer. I could tell by my books, but it was for the precise sum, without any interest.

Question. Are you sure that the amount you referred to as the amount you loaned the State, and which the government refunded, includes the duties upon the guns?

Answer. I am quite positive of it.

Question. Do you remember the exact amount of the duties?

Answer. I cannot tell, but I have at the bank the check which I gave Winslow, Lannier & Co. for their advances.

Question. Was this purchase of arms made by Mr. Owen for the State of Indiana a good purchase?

Answer. From my knowledge of the gun market, I think they were purchased at least two dollars a gun cheaper than they could have been purchased had I not got the refusal of that lot as I did.

Question. Was there anybody in the market purchasing guns except the general government and the State of Indiana?

Answer. There was a plenty of individuals in the market. I went to a great many places to inquire for guns, and the cry was, "No guns," "no guns." Before the guns were delivered I advanced \$75,000, which the party insisted on having, though he was not entitled to a cent before the guns were all delivered. They wanted to break up the contract, and they said they would give twenty dollars a gun to have them delivered back to them.

Question. You derived no benefit whatever from the contract except the interest upon the money you advanced to the State?

Answer. None whatever.

Question. Can you state any reason why Owen did not procure a remission of the duties upon those guns? Did you hear any statement from him explanatory of the reason?

Answer. He merely remarked it would take him some time to do it; that the government would do it eventually in a settlement with the State, though not immediately. That was said in a mere casual conversation.

Question. The only effect of his not doing so was to make it necessary for the State to borrow \$40,000 more money than otherwise would have been necessary?

Answer. If the government had remitted the duties, of course the State would not have borrowed that amount of money. I made a difference of the interest upon \$40,000 for eighty or ninety days.

Question. If any portion of the money involved in this transaction, either in the purchase of arms or otherwise, was reserved for political purposes, the fact did not come to your knowledge?

Answer. I never heard of it at all.

Question. You made the bargain yourself with Kirkpatrick?

Answer. I got the refusal of the guns from him because of this telegram from Governor Morton.

Question. You had no conference at all upon the subject of this purchase with Mr. Yerby?

Answer. No correspondence. He called to see me, to ask all these questions you are asking me. That was after the purchase was made, and after he acknowledged he had received his commissions. He acknowledged that he had given a receipt for his commissions, but inasmuch as Kirkpatrick had made so much more than he expected he intended to get a share.

Question. To what place were the guns shipped?

Answer. To Indianapolis, direct.

Question. Was there an immediate want of those guns in Indianapolis at that time?

Answer. All I know is the information I obtained from Governor Morton. It was said at the time that they were of very great importance.

Question. Was it necessary that those duties should be paid before you could get the guns?

Answer. The parties who owned the guns had never paid the duties. They would not or could not advance the money, and Mr. Owen had to pay them in order to get the guns.

Question. How long after the purchase was made was it before the government refunded the money?

Answer. About eighty or ninety days. It might have been a little longer.

NEW YORK, *February* 14, 1863.

JOSEPH KIRKPATRICK, sworn :

Question. Where do you reside?

Answer. In New York.

Question. What is your business?

Answer. I am a general merchant now?

Question. State whether you have had any contracts with the government for the sale of arms since the breaking out of this rebellion.

Answer. I was interested in one contract with the government to supply 26,000 Enfield rifles, which I went to England for. I did not get them in consequence of the troubles growing out of the Mason and Slidell affair. I then went before the commission, composed of Messrs. Owen and Holt, and they cut the contract down to 8,000, which number I delivered. My partner and myself had expended considerable money in connexion with the contract, and I had been to England once. In consideration of these facts, and that we had not failed to perform the contract from any want of energy upon our part, they allowed us to deliver 8,000 guns.

Question. Were they long or short Enfields?

Answer. Long.

Question. At what price?

Answer. Twenty dollars was the original contract price made under Cameron.

Question. When was the contract made?

Answer. On the second of November, 1861.

Question. When were the 8,000 delivered?

Answer. The last of them in July, 1862, and all between May and June.

Question. Is that the only arms contract you have had with the general government?

Answer. Yes, sir.

Question. State whether you have had any other contract for furnishing arms either to the general government or to any of the States.

Answer. The only other transaction I have had was a sale of 8,360 guns to the State of Indiana. That was in September, 1862.

Question. With whom did you make the contract for those arms?

Answer. With Robert Dale Owen.

Question. When were they delivered?

Answer. The delivery commenced upon the commencement of their inspection, two or three days after the sale was made, which was on the 19th of September; but it was three weeks or so before they were all delivered.

Question. What kind of guns were they?

Answer. Long Enfield rifles, made in London.

Question. At what price?

Answer. \$17 85.

Question. Did the State pay, or did you pay, the duty?

Answer. The State paid the duty. The guns were in bond.

Question. What was the aggregate of the duties upon the guns?

Answer. I think it was something like \$50,000. It may have been more. I think the duty was thirty per cent. upon the original cost, and I forget what that was.

Question. Then the State of Indiana was to pay you \$17 85 for them in bond?

Answer. Yes, sir; and get them out of bond the best way they could.

Question. Of course you could only get them out of bond by paying the duty?

Answer. That is all. It had been the rule previous to this for the States to get guns out of bond by getting a free permit from the government; but Owen did not get that.

Question. With whom did you negotiate that contract—with Owen in the first instance, or with some other party?

Answer. It was with Owen entirely. Mr. Martin knew that I was importing guns. While in England I made an arrangement with a house to have them ship guns to me as their agent, and I was expecting guns at that time. I should state that I afterwards sold for those parties 2,000 guns to Captain Crispin, ordnance officer.

Question. Long Enfields?

Answer. Yes, sir.

Question. At what price?

Answer. At \$15, with exchange over twenty-three per cent. I do not remember what that was.

Question. About what time was that?

Answer. About the latter part of July, 1862. I arrived home on the first of July, and these guns arrived two or three weeks afterwards.

Question. You then had no definite contract with Martin?

Answer. No, sir. I contracted entirely with Owen.

Question. Was the money you spoke of, \$50,000, advanced by Winslow, Lannier & Co. before or after the contract was perfected?

Answer. After the contract with Owen was perfected.

Question. How long was that advance made by that house before the entire amount was paid?

Answer. I should think at least a month. I may be mistaken as to three or four days, but it was in that neighborhood.

Question. Was the money all paid at the same time by the State?

Answer. Yes, by Mr. Harvey, the State treasurer. Mr. Harvey was here and all the papers were fixed up by him.

Question. I understand that this money was paid to you about a month after the contract was made?

Answer. Yes, sir.

Question. What was the object of procuring the advance from Winslow, Lannier & Co. of money to pay the duties on the guns in

advance of completing the contract with you by paying you the amount?

Answer. My contract with Owen was, that as soon as the guns were inspected, he was to pay me for them at the rate of \$17 85 each, and that inspection could not be had until after the guns were out of bond.

Question. So the inspection commenced immediately after the guns were got out of bond?

Answer. Yes, sir.

Question. Was Owen himself here all the time these events were transpiring?

Answer. Yes, sir.

Question. What was the exact amount paid you by Mr. Owen, or rather by Mr. Harvey, the treasurer of the State of Indiana?

Answer. I have here an exact copy of the invoice. Mr. Owen deducted from my bill \$1,672 for implements which the State had to purchase, which should have been, but were not, with the guns.

Here is a copy of the invoice :

NEW YORK, *September 22, 1862.*

STATE OF INDIANA,

Hon. ROBERT DALE OWEN, Agent,

Bought of J. KIRKPATRICK.

| | |
|--|--------------|
| 8,360 Enfield rifles, at \$17 85..... | \$149,226 00 |
| 418 cases, containing 20 each, at \$2 50 | 1,045 00 |
| Cartage..... | 53 13 |

150,324 13

Deduct for cost of implements under protest, to be referred to Mr.

| | |
|--------------------------------|----------|
| Harvey or Governor Morton..... | 1,672 00 |
|--------------------------------|----------|

Question. The sum of \$150,324 13, less \$1,672, deducted, is the exact amount you received from the State of Indiana, through Mr. Harvey, for those guns?

Answer. Yes, sir.

Question. You received it in cash?

Answer. Yes, sir; I received a check upon the Ocean Bank, and got the cash from that bank.

Question. The invoice you have presented is the one upon which the settlement was made?

Answer. The items are exactly as the invoice was that Mr. Harvey took from me in duplicate. I cannot state, of my own knowledge, what he did with the invoice, but he told me afterwards that he was sorry he bought the guns at all, as he was going to turn them over immediately to the government, as the government had made a fuss about the State purchasing guns. He said they did not want State agents to come in and buy guns while the general government was in the market buying.

Question. Did you yourself realize out of that transaction for yourself, and the persons for whom you were acting, Colt's Manufacturing Company, the entire amount of that invoice, or did you pay any portion of the amount by way of commissions, bonuses, or the like, to any other person?

Answer. I realized the difference between what I bought them at, \$16 50 each, and what I sold them for, \$17 85, less \$836, which I gave to Yerby as commissions, using him as a broker, and less also the \$1,672 deducted as I have stated above.

Question. Was the \$836 the entire amount which was paid out by way of commissions, or bonuses, or the like, in that transaction?

Answer. Yes, sir.

Question. How did you happen to pay that commission?

Answer. Yerby was a sort of commission broker. He knew I was dealing in guns, and came to me to know if I wanted to purchase 10,000, as he said, Enfield rifles, of London make. In the meantime Martin had sent up to me to come down to the bank to inquire whether I had any Enfield rifles coming. He had received letters from Indiana requesting him to get the refusal of guns, as they were scarce in the market. He, knowing that I had been in the gun trade, sent for me to know whether I had any. I told him I had some coming, but did not know whether they would be here in time. The day previous to Owen's arrival Yerby came into the office and wanted to know if I could use 10,000 Enfield rifles, which a man had put into his hands for sale, and of which he had samples in his office. I told him I would look at the samples. I saw them, and saw that they were superior guns, made by a leading house in London, and that they were such guns as Indiana would be likely to buy. I told Yerby I thought I might want them, and told him to retain the samples until I sent for them. The next day I saw Owen, and appointed a time when he was to meet me at the Ocean Bank. He met me there and wanted to see the samples. I sent the samples down, and asked him \$18 for the guns. I told him I was satisfied I could get that for them. He wanted to beat me down to a lower price, and I finally told him if he wanted the guns he might have them for \$17 85. He examined them for some time and then purchased them. After he had purchased them he said he had heard of that same lot of guns before, and knew them to be a superior lot, and had made up his mind to get them if he could.

I did not know who owned the guns at the time Yerby showed them to me. Yerby would not tell me who owned them. I told him to introduce me directly to the owners of the guns, and I would give him a commission for his trouble. That trouble consisted in showing the samples and introducing me to the owners, and for that I agreed to pay him a brokerage.

Question. And that payment to him was made to carry out the arrangement?

Answer. It was; and he says in his receipt, "in full for my commissions."

Question. Was this interview with Yerby before or after your first interview with Owen?

Answer. The interview as to the amount I was to pay Yerby was after my first interview with Owen, and after I made up my mind that Owen would purchase them at \$17 85. I told Yerby I could pay him ten cents a gun. He told me that \$16 50 was what he was au-

thorized to sell them for; but I thought that by being introduced to the owners I could do better than that.

Question. Where did you purchase them?

Answer. I purchased them here of the agent of Colt's Manufacturing Company.

Question. Owen said he had heard of this same lot of guns.

Answer. Yes, sir. They had been imported by Colt's company from England under a contract which Colt had with the government. There was some failure upon his part to perform the contract, and the contract was annulled by the government, and the guns had been lying in bond some months; and most gun-dealers knew of this lot of guns, and they had been offered to the government a dozen times. They had been held at \$20 or \$21. A man by the name of Archer had shown me one of those guns at \$18 50; but an agent told me they had held them at \$20.

Question. Has Yerby sued you?

Answer. He has.

Question. For what?

Answer. For one-half I made upon the transaction, alleging that he was a partner with me, and saying that I had agreed if he purchased the guns I would give him half the profits.

Question. State whether, in any conversation with Yerby, you said to him that the only amount of commissions you realized was twenty cents on each gun; that although the guns were sold to Owen, or to the State of Indiana, for \$17 85, the remainder of the profits over and above \$16 50 was reserved by Owen or by other parties for certain purposes in the State of Indiana or elsewhere.

Answer. No, sir; nothing of the kind.

Question. Did you refer, in any conversation with him, to any political motives connected either with the sale of the guns, or the proceeds of the guns, or the profits upon the sale of the guns?

Answer. No, sir.

Question. Then no portion of the money arising from the sale of those guns, or money growing out of the transaction in any way, was retained by either Harvey, the treasurer of the State, or by Owen, or by anybody else, for any political purpose, or any other purpose whatever?

Answer. No, sir.

Question. On the contrary, you realized for your own exclusive benefit the whole amount, except the two deductions you have named?

Answer. I did.

Question. Was any proposition made to you at any time by any person connected with this transaction, either in behalf of the State of Indiana, or otherwise, to make any reservation of pay, of bonuses, or of commissions, except on the part of Yerby himself?

Answer. I never had even a hint of such a thing from any one, or anything which a shrewd man could construe into a hint of that kind. I offered Owen and Harvey, when they were talking about the payment of the money, to give them a check for \$1,000, if they would give me back the guns, so that I might sell them to the government. And I would have made money by doing so. They refused to do it,

on the ground that they had made a purchase, and that they were not speculating in guns.

Question. Was there anything in the conduct of Owen or Harvey which showed a want of interest in the State of Indiana, or in the government?

Answer. I thought, for my interest, they were two zealous for the State and government.

NEW YORK, *April 21, 1862.*

WM. BOARDMAN, sworn :

Question. Where do you reside?

Answer. In this city.

Question. What is your business?

Answer. I am a steam-engine builder.

Question. Have you now, or have you had, any interest in vessels sold to the government?

Answer. I had an interest in one ship which was purchased by the government.

Question. What was its name?

Answer. The Santiago de Cuba.

Question. When was she sold to the government?

Answer. I think in September.

Question. What price did the government pay?

Answer. \$200,000, I believe.

Question. Through whom was she sold to the government?

Answer. The first I heard of the sale being negotiated was through the president of the company, Juan C. De Mier. It was at his office that I learned that fact.

Question. What did you learn there?

Answer. I learned that he was endeavoring to make a sale through a Mr. Burt, and a gentleman who was associated with him, by the name of Sedgwick.

Question. What Sedgwick?

Answer. I understood afterwards that he was a member of the House of Representatives, but I did not know it at the time. I subsequently learned the fact to be so, because I saw him at Washington.

Question. You knew him to be the Sedgwick of the House of Representatives?

Answer. Yes, sir.

Question. You learned from this De Mier, at his office, that he was negotiating a sale of the vessel through those two gentlemen?

Answer. Yes, sir.

Question. What next occurred?

Answer. We had several interviews at the office—Mr. Burt, Mr. Sedgwick, Mr. De Mier, and Mr. Barault, one of the principal owners—in relation to the sale of the vessel. Captain Cheesman, of the ship, was also there.

Question. What was the nature of the negotiation?

Answer. I do not know that I can state minutely what transpired, as it is some time since the transaction occurred. One question discussed was as to the commissions to be paid on account of making the sale. There was a talk upon the part of Mr. Burt, when Mr. Burt and Mr. Sedgwick were in there at one time, about charging five per cent. commissions.

Question. What was said by Burt, or any one else, touching that point?

Answer. My impression is that Burt said we ought to have five per cent.

Question. Who was "we?"

Answer. Whether he meant himself individually, or whether he meant to associate others with him, of course I did not understand. We relied more upon Mr. Sedgwick than upon Mr. Burt.

Question. Why?

Answer. The fact that Burt told me of his position as a member of Congress, also that he was upon the naval committee, gave me to understand that the government would purchase the vessel under almost any circumstances, if Sedgwick recommended it—that is, that we need have no fears but what the ship would be sold. Those were Burt's words.

Question. Where were you and Burt when he told you this?

Answer. He told it to me on two or three occasions—I think, in Mr. De Mier's office.

Question. Who were present?

Answer. I think Mr. De Mier was present, and the captain of the ship.

Question. Did he ever state this to you in the presence of Mr. Sedgwick himself?

Answer. I think not; certainly not exactly those words.

Question. What did he state in the presence of Mr. Sedgwick?

Answer. That there would be no trouble about selling the ship; that if there was any difficulty here about selling her, he and Sedgwick, or that Sedgwick would go to Washington, and negotiate the sale there.

Question. What else was done?

Answer. Mr. Burt, or Mr. Sedgwick, (I cannot say which,) said they would go to Washington, as they had some difficulty about making the sale here to Morgan. Mr. Sedgwick did go, and one or two letters were had from Mr. Sedgwick in regard to the purchase of the vessel by the government, while he was in Washington.

Question. Letters to whom?

Answer. I will not undertake to say, though I saw one of them.

Question. What was the purport of that letter?

Answer. I would not undertake to give the substance of it, any further than to say that it had relation to the ship. I saw the letter in Mr. De Mier's office, but whether it was directed to him or to Burt, I do not know.

Question. What else was done?

Answer. During these different interviews much was said about Mr. Morgan buying the ships.

Question. Was anything said or done with Mr. Morgan about buying the ship?

Answer. I only know the facts I have stated.

Question. Did you ever have any interview with Morgan upon the subject?

Answer. I went there with Sedgwick and Burt after, I think, the bill of sale of the ship was made out and a search for liens against the ship was made, I think, by order of Mr. Morgan. At any rate, Sedgwick or Burt, one or the other, remarked that we had got to satisfy Mr. Morgan as to the title of the ship.

Question. Did either of them have any consultation with Morgan at that time?

Answer. I think Sedgwick had a few minutes' conversation with him, and we all left.

Question. Did Sedgwick have a conversation with him in your presence, or was it by himself?

Answer. I did not hear what was said.

Question. Did you see him in conversation with Morgan?

Answer. Yes, sir.

Question. Did you and Sedgwick and Burt go there for the purpose of completing the sale?

Answer. I do not recollect. If I recollect right, Mr. De Mier was along also; and I think the captain of the ship was along. I think the visit was in reference to perfecting the sale, though I am not positive.

Question. What else transpired?

Answer. When those gentlemen were in the office on one occasion, talking about commissions to be paid, it was remarked by one or the other of them, (whether Burt or Sedgwick, I do not know, but my impression is it was Burt,) that the owners of this ship would have to pay Mr. Morgan two and a half per cent. commission, and there was some discussion as to the merit of his making such a claim, or of his right to do so. It was stated, that although the purchase was not made directly by him, still that he had had considerable trouble about the matter, and no ship could be purchased unless he got his commission of two and a half per cent.

Question. What, if anything, was said about further commissions than the two and a half per cent.?

Answer. They wanted five per cent. for themselves, as I understand the matter, but afterwards they agreed to take two and a half per cent., and I suppose that was paid to them.

Question. Do you know what disposition was made of that two and a half per cent. among the other parties?

Answer. I do not know. I only know that Mr. De Mier told me that two and a half per cent. was to go to Morgan, and two and a half per cent. to the other gentleman.

Question. And from what they had stated previously, the sale of the vessel was effected in that way?

Answer. Yes, sir.

Question. Has she been paid for by the government?

Answer. Yes, sir.

Question. What commissions, if any, have been charged to the company?

Answer. According to a statement rendered to me from Mr. De Mier's office, (whether by him or the principal stockholder of the ship, I do not know,) \$10,000 was paid for commissions first on the sale of the ship.

Question. To what persons?

Answer. I cannot say now whether the persons' names were mentioned or not. I can tell by referring to the statement.

Question. What other commissions were paid?

Answer. There was some \$5,000, I think, charged by Mr. De Mier.

Question. For what?

Answer. For his aid and assistance, I suppose, in effecting this sale.

Question. Any further commissions?

Answer. A charge of some nine or ten thousand dollars is made by the principal stockholder. The statement rendered does not say what the charge is for.

Question. Then, in all, the commissions charged to the stockholders amount to about twenty-five thousand dollars?

Answer. Yes, sir.

Question. Have you made any inquiry in reference to what these items mean?

Answer. Mr. Barault, the principal stockholder, and myself, have had some conversation in regard to that matter. He claimed it as a commission, inasmuch as that the vessel was sold, and he lost his opportunity of making any money out of the agency of the vessel. He was to have had the agency of the Santiago de Cuba if she had continued to run there.

Question. So he charged this \$10,000 in order to make up?

Answer. It was nearly \$10,000.

Question. Was anything said in your negotiation with Morgan about the price of the ship?

Answer. Never in my presence. I only know what was said from those other gentlemen.

Question. From whom—De Mier?

Answer. I do not know, but Mr. De Mier may have mentioned it. It was in his office.

Question. While he was there?

Answer. Yes, sir.

Question. Is there anything else about the transaction which you can communicate?

Answer. The question came up why Morgan would not buy the ship, and I think the reason assigned was that he had bought another ship about her size at considerable less money, and for that reason he objected.

Question. Objected for paying so much for the ship?

Answer. Yes, sir. And some other matters were talked of.

Question. Was it stated what he would pay for the ship?

Answer. No, sir; I do not think it was.

Question. Was any reason given why he was reluctant to go into the negotiation for the purchase of the ship?

Answer. Something was said about the Van Wyck committee being in session at the time.

Question. What was said about the Van Wyck committee in that connexion?

Answer. He declined to buy upon that account as he would probably be before that committee. This was a conversation made in Mr. De Mier's office, but I would not undertake to say who made the statement.

Question. You said Sedgwick went to Washington. Do you mean to say that he went for the purpose of effecting a sale of the ship?

Answer. I understand that he went upon that business.

Question. More than once?

Answer. I cannot undertake to say whether he went more than once.

Question. From whom did you understand that he went to Washington on that business?

Answer. From Mr. Burt and Mr. De Mier.

Question. Did you hear it from Mr. Sedgwick?

Answer. I think Sedgwick was present at one time, and said he would go to Washington if nothing was done with Morgani, or something to that effect.

Question. Go to Washington for what?

Answer. For the purpose of selling the ship.

Question. Do I understand you to say that you heard Sedgwick say that?

Answer. I think Sedgwick was present when the remark was made, either by Burt or by himself.

Question. What was the remark you heard made, either by him or in his presence?

Answer. That they would go to Washington and effect a sale of this ship. My impression is that either one or both of them were there upon two occasions.

Question. Was anything said in Sedgwick's presence at any time about his official position giving him an advantage?

Answer. I do not know that there was in his presence. Mr. Burt spoke of that upon several occasions.

Question. Do you know of your own knowledge that Sedgwick had any interest, either direct or remote, in the sale of this ship; or did he act as any citizen might for the purpose of enabling the government to get a good ship?

Answer. I do not know that he had one dollar of interest. If he had not I should think it was a very strong friendship upon the part of Sedgwick for Burt—stronger than for the government.

Question. What are the relations of Sedgwick and Burt?

Answer. I do not know. They are both strangers to me. Mr. Burt spoke of him as being his intimate and personal friend, and that he (Sedgwick) should do anything reasonable he should ask him to do.

Question. Burt put it upon the ground that Sedgwick was his friend, and would do anything reasonable?

Answer. Yes, sir ; and at the same time, when they were together, Mr. Sedgwick or Mr. Burt would use the plural "we." I do not know that either of these gentlemen ever received a dollar.

Question. The statement you have spoken of, as I understand, shows that somebody received \$10,000 ?

Answer. Yes, sir, the statement shows that.

Question. Does it not show who received it ?

Answer. I cannot say, as I have not looked at it for several months.

Question. Will you furnish the committee with a copy of that statement ?

Answer. I will.

Question. And make it a part of your evidence ?

Answer. Yes, sir.

Question. Who is Mr. Burt ?

Answer. I cannot say.

Question. Where does he reside ?

Answer. In this city, I think.

Question. What is his given name ?

Answer. I do not know.

Question. Is it not Addison M. ?

Answer. I do not know.

Question. You understand him to be a lawyer of this city ?

Answer. Yes, sir.

Question. Did you ever understand that he had been connected with ship-building, or has been an owner of ships ?

Answer. I am not aware that he knows anything about ships, or that he ever owned any.

Question. Then the only possible connexion of these two gentlemen with this transaction was to secure the sale of this vessel to the government ?

Answer. That was what they were employed for, as I understand. Whether Mr. De Mier employed one or both of them I cannot say.

Question. When you saw either of those gentlemen at the office of Mr. De Mier, was the other generally present ?

Answer. I think I never met Sedgwick there but twice. I met Burt there perhaps six or eight times.

Question. When did you first understand that Sedgwick was a member of Congress, and a member of the Committee on Naval Affairs ?

Answer. I think it was upon the second interview I had with Burt, and I think that interview was on the same day that Sedgwick was at Mr. De Mier's office.

Question. Upon what did Burt seem to rely for the sale of that vessel ? Was it upon the ground of his relations to the administration and the Navy Department ?

Answer. No, sir. I judged from his conversation that he relied wholly upon Mr. Sedgwick, for when there were some delays, and Mr. Sedgwick was out of town, Burt seemed to be quite uneasy about it.

Question. How long was this matter pending before it was finally consummated ?

Answer. It was some weeks before the money was coming.

Question. But I mean from the time the negotiation was entered upon until the time it was consummated.

Answer. I should think two or three weeks.

Question. Do you understand that Burt and Sedgwick are intimate personal friends?

Answer. I understood from Mr. Burt that they were very strong personal friends.

Question. Did you understand that Burt was speculating upon the personal friendship of Sedgwick in order to effect a sale of this vessel and put the amount of money into his own pockets?

Answer. I do not know. I can only judge from the manifest interest.

Question. Could not that interest be accounted for from the personal friendship which existed between them?

Answer. It might be. I have myself done more than that for a friend, in the way of spending time, and putting myself out, &c. Mr. Burt states in his testimony before this committee that he kept all that money himself. All he pretended to charge us, I understand, was two and a half per cent.; so I think we must be entitled to a return commission of two and a half per cent.

The witness was recalled after the examination of Mr. De Mier, the next witness, and testified as follows:

Question. You say you saw one letter of Sedgwick?

Answer. Yes, sir.

Question. Where did you see it?

Answer. In Mr. De Mier's office. It was in relation to the sale of the ship, but the substance of it I cannot now state, as it has been so long since I saw it.

Question. You have heard the statement of Mr. De Mier, that no letter from Sedgwick was addressed to him?

Answer. I have.

Question. You still insist that you saw a letter in De Mier's office, written by Sedgwick, either to Mr. De Mier or to Burt?

Answer. Yes, sir, purporting to be written by him. I do not know his handwriting, of course.

NEW YORK, *April* 21, 1862.

JUAN C. DE MIER sworn:

Question. Where do you reside?

Answer. I reside in this city.

Question. What is your business?

Answer. I am in the commission business.

Question. Have you any interest in any vessels which have been sold to the government?

Answer. I had an interest in the Santiago de Cuba.

Question. Relate the circumstances connected with the sale of that vessel to the government.

Answer. We sold the vessel to the government through A. M. Burt, as agent.

Question. Did you have any negotiation with any other gentleman?

Answer. We did not employ any other gentleman than Mr. Burt, but Mr. Burt took the first day there or the second (I will not endeavor to say which) Mr. Sedgwick, a member of Congress. Mr. Burt did not state in the transaction that he was going to make the negotiation with Mr. Sedgwick.

Question. You think that the second time Burt came there he brought Sedgwick with him?

Answer. Yes, sir.

Question. Was anything said between you and Burt about Mr. Sedgwick before he came there?

Answer. No, sir. Mr. Sedgwick has been in my office once, and no more, during all this transaction.

Question. Had he been in your office before this?

Answer. No, sir.

Question. When he came there, by whom was he introduced?

Answer. He was introduced by Mr. Burt.

Question. Had Sedgwick any business in your office?

Answer. No, sir. He was introduced to me with other gentlemen. Mr. Barault, Mr. Boardman, the captain of the vessel, and myself, were present.

Question. Had you ever any conversation with Sedgwick?

Answer. We had a conversation about the price of the vessel. We wanted \$200,000 net.

Question. What was the conversation with Sedgwick?

Answer. I had no conversation with Sedgwick himself. He listened to us. I do not believe he opened his lips in the office.

Question. What occasion had he to be in your office without opening his lips?

Answer. Mr. Burt spoke all the time.

Question. Did Burt say anything to you in reference to Sedgwick?

Answer. Mr. Burt spoke, after Mr. Sedgwick left, of his influence in Washington.

Question. What did he say about Sedgwick's influence?

Answer. He said Mr. Sedgwick was a particular friend of his, and that he would be able to make a sale of the vessel better than anybody else in New York.

Question. Did he say in what manner Mr. Sedgwick could do it better than anybody else?

Answer. He said only that his position and his friends enabled him to get a sale effected.

Question. Did he explain that position?

Answer. No, sir; he did not. He only said he was a member of Congress. I did not know that before. When Mr. Sedgwick was at our office I did not know who he was.

Question. Mr. Sedgwick did not stay as long as Burt?

Answer. No, sir.

Question. How long did he stay?

Answer. He may have been there ten or fifteen minutes, perhaps half an hour.

Question. Without saying a word while there?

Answer. Yes, sir.

Question. Listening to a conversation between you and Burt?

Answer. Yes, sir, and the other gentlemen.

Question. Was that conversation about anything else except the sale of the vessel?

Answer. No, sir.

Question. Was anything said about a commission on the sale while Sedgwick was there?

Answer. After we had spoken of the price of the vessel, (we wanted to get \$200,000 net, and we were making strong efforts to get it,) finding we could not succeed in getting our price, we agreed that we would take \$200,000, and give Burt five per cent. commission upon the sale, to be divided, we understood, with Mr. Morgan.

Question. How—equally?

Answer. I supposed two and a half per cent. to each.

Question. Was anything said about anybody going to Washington?

Answer. Mr. Burt engaged himself to go to Washington and try to negotiate this transaction.

Question. Did he go to Washington?

Answer. He did. I do not know whether Mr. Sedgwick went with him or not.

Question. Did you see any letter from Mr. Sedgwick?

Answer. I had two or three notes from the Assistant Secretary of the Navy, but no letter from Mr. Sedgwick.

Question. Have you those notes now?

Answer. I believe they were telegraphic despatches. I may have one or two. They were from the Assistant Secretary of the Navy, Mr. Fox.

Question. Did you have any letters?

Answer. I did not.

Question. Did you not see any letter from Mr. Sedgwick?

Answer. No, sir.

Question. What did Fox say in his telegraphic despatches?

Answer. He asked, before the sale of the vessel was effected, whether she had some requirements which the department wanted a vessel to have, adapted to the purposes of war. In another despatch he inquired whether I was a citizen of the United States; how this property was held; who were the owners of the vessel; and whether we were loyal citizens of the United States.

Question. Those despatches were addressed to you?

Answer. Yes, sir, as president of the company.

Question. You say Fox telegraphed to you to know whether you were a loyal citizen or not?

Answer. Yes, sir.

Question. Before he would effect a sale?

Answer. Yes, sir.

Question. Where was Burt when these telegraphic despatches were received?

Answer. He was in New York.

Question. Was any mention made of Sedgwick in any of those despatches?

Answer. No, sir; never.

Question. You never knew of Sedgwick going to Washington upon this business?

Answer. He may have gone.

Question. You do not know of his going?

Answer. I could not swear that he went for that purpose.

Question. Did you go to Morgan's office with Sedgwick?

Answer. I went there with Boardman and the captain of the vessel.

Question. Was Sedgwick there?

Answer. No, sir.

Question. Was he there during the time?

Answer. No, sir. I understood that Sedgwick went there afterwards with Boardman, the captain, and Burt. I saw Morgan only half a minute at that time. He was very busy.

Question. Why was Morgan to have two and a half per cent. if you effected a sale with the Navy Department?

Answer. I do not know.

Question. Did Morgan do anything?

Answer. We understood we could not effect a sale unless we paid two and a half per cent. to Morgan.

Question. Through whom did you effect a sale?—through what government agent?

Answer. Through Mr. Morgan.

Question. Morgan agreed to take the vessel?

Answer. Morgan gave us the assurance that the vessel was bought.

Question. Do you know whether it was with Morgan or Fox that it was done?

Answer. I cannot say, indeed.

Question. Did you pay the \$10,000?

Answer. I did.

Question. To whom?

Answer. To Burt.

Question. How long ago?

Answer. I cannot tell exactly the day. It was very likely the same day I received the money from the government.

Question. About how long ago?

Answer. It was some time ago. It was very soon after the sale of the vessel.

Question. Can you tell about when that was?

Answer. It was immediately after the receipt of the money.

Question. Have you paid any other money for effecting that sale?

Answer. No, sir.

Question. Has there been any other charge made against the company by any one?

Answer. One of the stockholders (Barault) had charged the company eight or nine thousand dollars (I do not know exactly how much) for his own services during all the time the steamer had been running, and for compensation for loss of commissions as agent in Cuba.

Question. Did you make any charge?

Answer. Yes, sir.

Question. How much?

Answer. Two and a half per cent.

Question. For what?

Answer. For the sale of the vessel.

Question. When Sedgwick came to your office with Burt, was there any statement made by Burt why Sedgwick came with him?

Answer. No, sir.

Question. Did Sedgwick ask any questions?

Answer. He did not.

Question. Did he make any remarks?

Answer. He did not.

Question. Do you mean to say that all the time he was there he did not open his mouth?

Answer. He did not.

Question. Who was present?

Answer. Mr. Boardman, Barault, the captain of the steamer, and myself.

Question. Was it at that time that it was agreed that Burt should have two and a half per cent., and that two and a half per cent. should be paid to Morgan?

Answer. We did not agree to two and a half per cent. being paid to Morgan; we only agreed to pay five per cent. to Burt. How much one was to have and how much the other we did not know. He did not say how much he was to pay Morgan.

Question. That is, Burt did not?

Answer. He (Burt) did not. We knew that no sale had been made in New York without paying two and a half per cent. to Morgan.

Question. Did Morgan say anything to you about two and a half per cent?

Answer. Never.

Question. Do you know whether he has got it or not?

Answer. I do not.

Question. Have you seen Burt to-day?

Answer. Yes, sir.

Question. At what time?

Answer. About one o'clock.

Question. Before you were summoned?

Answer. It was when I was summoned.

Question. Have you seen him since?

Answer. No, sir.

Question. Have you had any conversation with him about this matter?

Answer. No sir.

Question. What was Burt doing there?

Answer. He had some brokerage business with me.

Question. What was it?

Answer. A transaction in reference to some notes.

Question. He was in your office when you were summoned?

Answer. Your summons found me at one o'clock, and I was summoned right away.

Question. Mr. Burt was there at the time?

Answer. Yes, sir.

Question. Have you seen him since ?

Answer. No, sir.

Question. Have you been in his office since ?

Answer. No, sir ; he was in mine.

Question. Since you were summoned ?

Answer. No, sir. He was in my office when the summons arrived there.

Question. How long did he stay ?

Answer. Ten minutes.

Question. Did you and he have any conversation about this matter ?

Answer. No, sir. I gave him a check for \$9,000 for some notes discounted.

Question. Was the sale of this vessel the first business transaction between you and Burt ?

Answer. No, sir ; I had transactions with him before, and have had a good many since.

Question. How long has Burt lived in this city ?

Answer. He has resided in Richmond as secretary of a car spring company there. I am not sure that it is a car spring company, but it is something of that kind. After the civil war broke out he left that place, and he has been here in business.

Question. Is this his first residence in this city ?

Answer. His wife lives here, and has for many years, I believe.

Question. Had you, or any member of your company, any acquaintance with Sedgwick before that transaction ?

Answer. No, sir.

Question. Can you account in any way for his presence at your office at the time when you were negotiating for the sale of the Santiago de Cuba ?

Answer. I account for it in this way : Burt wished to assure us that he was able to make a sale ; we had been trying for two or three months to effect a sale through Morgan, before this transaction, and we could not succeed ; and when this Burt came along he said he could effect a sale, and to show that he could, he brought Sedgwick to the office to show that he had some friend by whom he would be able to do it.

Question. That was the object then which induced him to bring Sedgwick with him ?

Answer. Yes, sir.

Question. How did you learn, and when did you first learn, that Sedgwick was a member of Congress, and chairman of the Committee on Naval Affairs ?

Answer. It was after Sedgwick left the room.

Question. On the same occasion ?

Answer. Yes, sir.

Question. Did Burt assure you in Sedgwick's presence that he would aid you in the sale ?

Answer. He said he could count upon Mr. Sedgwick as a personal friend.

WASHINGTON, *May 16, 1862.*

ADDISON M. BURT sworn :

Question. When you were before this committee on the 5th day of October, 1861, you mentioned your connexion with the sale to the government of the steamer Santiago de Cuba. Please state how long before the vessel was sold to the government you became connected with the agency for her sale.

Answer. Some time in August, I think. I do not remember exactly, but my best recollection is that it was not far from the tenth or fifteenth of August, when I entered upon the matter.

Question. Was the vessel a new one?

Answer. Yes, sir ; she had made only one voyage to Cuba and back.

Question. To whom did you first propose to sell the vessel to the government?

Answer. To Mr. Pook, naval constructor at New York.

Question. Who else did you apply to with a view to a sale?

Answer. Mr. Morgan. When I called upon Pook the second or third time, I learned from him that Mr. Morgan had the purchasing of vessels.

Question. What induced you to call upon him?

Answer. I found Mr. Pook, the second or third time I saw him, in Mr. Morgan's office, but I did not know he was there until I went there.

Question. You did not meet Pook by any previous understanding?

Answer. My first application to Pook was at his lodgings. He then told me to make a memorandum, giving a description of the vessel, and leave it at his place, No. 54, I think it was, Exchange Place. I did so, and the next day left the memorandum on his desk in the office, nobody being in but a boy. The next day I went to the office and found him there. He said he had received my memorandum, but he turned me over to Mr. Morgan, whom I saw then for the first time ; and then for the first time, also, I learned that he had the purchasing of vessels. From that time I conducted my negotiations with him. I saw him several times for a space, I should say, of a week or more. While this was going on, my brother and Mr. Sedgwick, a member of Congress, called at my house to make a friendly visit. They did not know anything of what I was about, but I told them in the course of our conversation. My brother remarked that Mr. Sedgwick was chairman of the naval committee of the House—which was news to me, as I did not know it before—and that Mr. Sedgwick could probably assist me in selling the vessel. Mr. Sedgwick said if the vessel was such a vessel as the government wanted, and it could be had for a fair price, very likely the government would buy her, and that he would do what he could to assist me consistently with propriety, or something of that kind. The idea was that if the government wanted the vessel and she could be had for a fair price, he would help me all he could. That was the first time I saw Mr. Sedgwick about it, and the first time he ever heard anything about it. He wrote, at my request, a letter to the Navy Department,

giving substantially the same description of the vessel I had given to Mr. Pook, and saying that if such a vessel was wanted by the government, I was authorized to sell her. I think that was about the substance of the letter. I think, after that, I had some correspondence with the Navy Department myself. From that time until the negotiation was closed I had correspondence with the Navy Department, and negotiation with Mr. Morgan, both ; and I am not able to say with certainty which of them bought the vessel, or whether either of them had any exclusive part in it. My impression, however, is that the transaction was with the Navy Department directly, and Mr. Morgan evidently regarded it so, because he voluntarily told me he did not demand any commission ; and I therefore concluded that he did not consider himself a purchaser of the vessel, for in every case, so far as I could learn, he had demanded a commission where he had purchased a vessel. I am therefore of opinion that I sold the vessel to the Navy Department, and not to Mr. Morgan.

Question. In the memorandum you furnished to Mr. Pook you described the vessel and indicated the price, did you ? and if so, what price ?

Answer. I do not remember that I mentioned the price in that memorandum. I think I did not.

Question. In your conversations with Pook, what price did you put upon the vessel ?

Answer. I never put a price upon it to Pook. I did with Morgan.

Question. What price ?

Answer. I first fixed the price to Morgan at \$250,000.

Question. How long after your first interview with Morgan were your negotiations confined to him ?

Answer. I should say five or six days.

Question. What was the lowest price at which you offered the vessel to Morgan while negotiating with him ?

Answer. I do not remember naming any figure lower than \$250,000 ; but I did tell him she could probably be had for less if the government wanted her.

Question. Did he mention any price the government would be willing to pay ?

Answer. No, sir.

Question. Had the vessel been examined by Pook, or any other officer of the navy, prior to the termination of your negotiation with Mr. Morgan ?

Answer. No, sir ; not between the commencement and termination of my negotiation with him. But she had been examined by Delano, naval constructor at the navy yard in Brooklyn, and by the chief engineer, and their certificate was on file in the Navy Department at that time.

Question. Had that examination been had in view of this negotiation ?

Answer. No, sir ; but of some previous one.

Question. Who had, before that time, been proposing to sell the vessel to the government ?

Answer. I do not know. It must have been the owners.

Question. You were not, then, the first person engaged in the negotiation for the sale of that vessel?

Answer. I am not able to answer that question. I was the first one I know of.

Question. Did you understand that other persons had been seeking the sale of the vessel?

Answer. I understood from Mr. De Mier, the president of the company, that he, or somebody else, had had that examination made.

Question. Did you understand at what price he, or whoever else was acting for him, had offered the vessel to the government?

Answer. No, sir.

Question. What price did Mr. Morgan mention himself as the sum he was willing to pay for the vessel?

Answer. He never mentioned any sum. He never made me an offer.

Question. What was the reason you did not follow up and consummate the bargain with Morgan himself?

Answer. Because, after giving me some encouragement, he finally checked me off because I was not the owner of the vessel. He finally told me he would only deal with owners, and I understood that to mean that he would not forego his commission or divide it with me.

Question. Did he give you any other reason?

Answer. He did not give me that reason at all. He simply said he dealt only with owners. I, however, understood what that meant.

Question. Is your recollection clear that Morgan himself never mentioned any sum he was willing to pay for her?

Answer. He did not name any sum to me, I am certain.

Question. Did he to De Mier?

Answer. I do not know.

Question. Did you learn from De Mier, or anybody else, that Morgan did designate any sum he was willing to pay?

Answer. No, sir.

Question. Did you understand at any time from Morgan that another reason for not consummating that trade was that his mode of purchasing was the subject of some scrutiny, and that he did not care to be engaged in the purchase of the vessel?

Answer. No, sir; he never told me anything of that sort. After the bargain was closed he told me he would not have paid that price for the vessel, because he thought he could have got her for less. I replied that he could not have got her for less; that he was mistaken about that.

Question. How long was it after Morgan told you he would deal only with owners that you saw Sedgwick?

Answer. Perhaps four or five days; I do not remember exactly.

Question. Where does your brother reside?

Answer. In Syracuse.

Question. Where was Sedgwick's residence?

Answer. At Syracuse. He and my brother were in New York, and came to see me in the evening. I did not expect them, and they took me quite by surprise.

Question. You had a previous acquaintance with Sedgwick?

Answer. Yes, sir ; I have known him for many years, and was very intimate with him, and am still. We were brought up in the same county—my brother also.

Question. State any of the reasons which you gave to the owners of this vessel, or to the president of the company owning her, of your ability to make a sale of the vessel to the government, and of the agencies you might fairly make use of to accomplish that purpose.

Answer. I told them in the beginning that I was acquainted with some officer who had the purchasing of vessels—alluding to Mr. Pook. I did not mention his name. I began my negotiation upon the strength of that, and up to the time when Mr. Sedgwick called at my house with my brother I do not think I had anybody else in view. After I got Mr. Sedgwick to write me this letter to the department, and got an answer to it, I told the owners of the vessel what I had done ; that I had got such a letter written ; that we had got an answer to it ; that we had opened a negotiation with the department directly, and that I had no doubt I could sell the vessel to the government if we could satisfy them that she was a good vessel and the price reasonable.

Question. What was the substance of the answer you received from the department ?

Answer. It was an order to Mr. Pook or to Mr. Morgan, I forget which, to examine the vessel and report to the department. That was about all there was in it. I regarded that as an expression of their willingness to buy the vessel, if she was a suitable one and cheap enough. I got a carriage and drove Mr. Pook up to the vessel. He examined her and made a report to the department, and, as I said before, there was considerable negotiation with Morgan, and correspondence with the department, which extended over a period of three or four weeks.

Question. Did the report of Pook indicate what was the value of the vessel ?

Answer. No, sir. He simply reported her build, her capacity, &c. I also got a copy of the previous report made by Delano and the engineer of the navy yard.

Question. Had not that been filed in the Navy Department ?

Answer. It had been, and the Assistant Secretary got it out and examined it. I do not remember the particulars of the matter, as it was as long ago as last August or September, but the result of it was that at the end of three or four weeks' negotiation the vessel was bought for \$200,000 and the money paid. My impression was, at the time of the sale, that the Navy Department bought her.

Question. When did Mr. Sedgwick first accompany you to the office of the gentleman interested in the sale of the vessel ?

Answer. I do not remember.

Question. How long was it after this first interview with him at your own house, and after he wrote that letter ?

Answer. I do not remember, but my impression is that it was when he was in New York the next time after that—a week or ten days afterwards.

Question. What was his object and yours in making that visit, and who were present?

Answer. His object was to accommodate me. My object in taking him there was this: the owners of the vessel had never believed that I could effect a sale. They told me repeatedly it never could be done except through Mr. Morgan, and that I must make terms with him, or all my labor would be in vain, as no vessel never had been sold except through Morgan, and none ever would be. And more than that, they had an offer from the War Department to charter the vessel at \$900 a day, and most of the owners were disposed to accept, and I was very much afraid I should lose the opportunity to sell the vessel, and thereby lose my commissions, which I was very anxious to secure. The captain of the vessel also, a man by the name of Cheeseman, had previously said to me that if the vessel was sold he would be sold out of place, and he wished me to get him a berth upon the ship from the Navy Department—that I should get him appointed as other merchant captains had been appointed to go to sea in government vessels. And I had previously spoken to Sedgwick about that, recommending the captain as a suitable man, and I got Sedgwick to go with me to De Mier's counting-house, with the double purpose of introducing Captain Cheeseman to him, and to satisfy Mr. De Mier and the other owners that I probably had the means of selling the ship if they would give me time. That was my motive.

Question. You intended to convey the idea to them, and properly too, that you expected to effect a sale through the instrumentality of Sedgwick?

Answer. Not exclusively; but that I had such a friend as would secure me the ear of the department, so far as necessary to make them understand our merits, and to give the necessary attention to the ship to know whether she was such a ship as they wanted to buy, and to buy her if she was?

Question. Did Mr. Sedgwick go with you to the same counting-house more than once?

Answer. No, sir.

Question. You did not meet Mr. De Mier and the owners of the vessel with Sedgwick, except at that time?

Answer. No, sir. Two or three of the owners of the vessels were there at that time. I did not go by appointment to meet them. Sedgwick went at my request. He only staid a short time, and did not say much. He, in fact, only went at my request to enable me to get a little time, as they were about to give up the idea of sale and accept the charter. They said the charter was a certainty, and the sale an uncertainty.

Question. Did you meet Sedgwick at Morgan's?

Answer. Sedgwick also went with me to Morgan's.

Question. Was that before or after the visit to Mr. De Mier?

Answer. I do not remember.

Question. In that visit to Morgan, was the price of the vessel mentioned?

Answer. I think it was. I think \$200,000 was mentioned as the price at which the vessel would be sold.

Question. What reason did Morgan then give for not negotiating the purchase?

Answer. I do not know that he gave any.

Question. What was the object of that visit, if you were opening negotiations directly with the Navy Department?

Answer. The Navy Department referred me from time to time to Morgan to give them information about the ship. There seemed to be some little cross-purposes between the department and Morgan as to which should decide the matter about the sale. Morgan did not want to do it, and the Navy Department seemed to think, as he was put there for the purpose of buying vessels, that he should do it.

Question. What suggestion did Mr. Sedgwick make upon the subject when he was with you at Morgan's office?

Answer. I do not remember that he said anything more than that if she was a suitable vessel for the government to buy, such a vessel as the government wanted, and the price was reasonable, he would like to have them buy her of me.

Question. Mr. Sedgwick was aware that you were not the owner of the vessel?

Answer. He was aware that my object was to make a commission. He knew I needed it. He knew my business in Virginia and North Carolina had been entirely ruined by the rebellion, and that I needed the money.

Question. Did you come to Washington city?

Answer. I did.

Question. More than once?

Answer. Only once. Mr. Sedgwick came with me at my request, and introduced me to the Navy Department.

Question. Was that before or after his letter was written?

Answer. After; for his letter was the first thing he did in the matter.

Question. How long was it after the letter was written that he came here with you?

Answer. About two weeks.

Question. Was the trade effected at that time?

Answer. No, sir. I think it was not completed for ten days or two weeks after that.

Question. Was the price talked of and agreed upon at that time?

Answer. It was talked of, but I do not know that it was agreed upon. The sum of \$200,000 was canvassed, and I remember of using this argument to the Assistant Secretary of the Navy, that Mr. Morgan had just bought the Connecticut for \$200,000, and she was not as good a ship as the Santiago de Cuba.

Question. Was there any evidence furnished to the Navy Department as to the cost of the vessel?

Answer. Not that I am aware of. I got a certificate from Delano, the naval constructor at Brooklyn navy yard, certifying, among other things, that the vessel was worth, in his opinion, from \$190,000 to \$200,000; I had his certificate to that effect, and I sent it or brought it to Fox.

Question. How long did you and Sedgwick remain in Washington upon that visit?

Answer. I think about two days.

Question. Did you visit the Secretary of the Navy or his assistant more than once?

Answer. Yes, sir. I was there two or three times.

Question. After your visit to Washington city, had you any further correspondence with the Navy Department until they notified you that they had purchased the vessel?

Answer. Yes, sir. Most of the correspondence was conducted by telegraph. I think there were not more than three or four letters in all.

Question. What passed between you and the government after your visit here, before they notified you that they would take the vessel at \$200,000?

Answer. I had several despatches from Mr. Fox, and I remember that one of them demanded a sworn list of the owners of the vessel. It was directed to Mr. De Mier, but sent to my address. I got it and showed it to Mr. De Mier.

Question. It was a simple demand for a sworn list?

Answer. I understood it to be an inquiry whether any of the owners were secessionists. I had a list made out, and appended to it was an affidavit which Mr. De Mier swore to, that the owners were all loyal citizens, and that no secessionist or secession sympathizer had any interest in the vessel.

Question. What other despatch did you have from Fox?

Answer. Another was an inquiry whether the diagonal iron bracing of the ship came up above the main deck; because if it did she could not be well pierced for guns, for cutting them away would weaken the vessel.

Question. You answered that inquiry in the negative, did you?

Answer. Yes, sir.

Question. Do you remember any other despatch?

Answer. I do not.

Question. Did the department refer you at all to Morgan to fix upon the price; and whether they did or not, what interviews had you with him after the time you and Sedgwick called upon him?

Answer. It is impossible to remember; there were a great many of them.

Question. Did Mr. Morgan himself ever accede to the price which you asked, (\$200,000,) or recommend the government to make the purchase?

Answer. I think he did say she was a good vessel, and suitable for the government in every way. He told me, in fact, that she was a first-rate vessel, and the only reason why he himself would not conclude the purchase was that he thought he could buy her for less money—that is, he did not mean to close the bargain until we would reduce the price, which we were determined not to do.

Question. Did Sedgwick write to any person, in connexion with the vessel, more than the one letter you have alluded to?

Answer. I do not think he did.

Question. Did you make more than one visit to this city ?

Answer. No, sir.

Question. The government finally notified you that they would take the vessel at \$200,000 ?

Answer. Yes, sir.

Question. From whom did you receive that notification ?

Answer. I think from the Navy Department in Washington.

Question. You stated in your former testimony the commissions you were to receive. Please repeat your statement upon that point.

Answer. When I began the negotiation there was a simple understanding between Mr. De Mier and myself that if I sold the vessel I should have a commission, no amount being specified. After the negotiation had gone on a while, and perhaps it was half concluded, we agreed upon the rate. It was finally fixed at five per cent.

Question. Was it before or after the interview between you, Sedgwick, and De Mier, that the commission was fixed ?

Answer. It must have been afterwards, because the negotiation was half finished before that, I think.

Question. To whom was the letter, in answer to the one from Sedgwick, addressed by the Navy Department ?

Answer. I cannot remember whether it was to me or to Morgan. I am inclined to think it was to Morgan, because the substance of it was an order to have the vessel examined.

Question. Mr. Morgan volunteered to tell you he would not take a commission ?

Answer. Yes, sir.

Question. Did he receive any commission in that transaction ?

Answer. Not to my knowledge. I did not pay him any, and I do not believe he got any.

Question. Your commission in the transaction amounted to \$10,000 ?

Answer. Yes, sir.

Question. Did any person divide with you those commissions, or any portion of them ?

Answer. Yes, sir.

Question. Who ?

Answer. My brother.

Question. An equal part to each of you ?

Answer. Yes, sir ; I gave my brother \$5,000.

Question. When did your brother first become aware of the fact that you were negotiating the sale of that vessel ?

Answer. The evening he and Sedgwick called upon me.

Question. Did he or you further divide any portion of those commissions with any other party ?

Answer. I did not, and I have no knowledge that he did, except that he told me afterwards that for that and previous services rendered by Sedgwick he had paid his travelling expenses—had given him a hundred dollars to pay his travelling expenses, and some previous assistance Mr. Sedgwick had rendered him.

Question. In connexion with what business ?

Answer. An attempt to sell some boats which belonged to a company of which my brother was president, on Lake Ontario. He

wanted to sell them to the government, but he found, on application to the Navy Department, that they were not such boats as the department wanted, and he relinquished the attempt.

Question. Did you understand from your brother that any other person shared with him any part of that \$5,000?

Answer. No, sir; and I do not think any one shared it with him. The money transactions of myself and brother are mostly upon joint account.

Question. It was before this transaction that Sedgwick was connected with the negotiation for the sale of the lake vessels

Answer. I believe so; I do not know of any subsequent transactions.

Question. What part did your brother take in negotiating the sale of this vessel?

Answer. Not a very active part. He went with me once or twice to see Mr. De Mier, and gave him assurances that if he would give me time I could sell the vessel. He was very anxious, as I was, that I should not lose the sale of the vessel. But I did not divide the money with my brother because he had earned any portion of it in connexion with this transaction; it related to other transactions altogether. Sometimes I am indebted to him, and sometimes he to me, more frequently the former; and in fact I know I was indebted to him at that time.

Question. Did the captain of the vessel get an appointment?

Answer. Yes, sir.

Question. What appointment?

Answer. I think that of acting master. At all events he has been upon the vessel during all her cruise, and I think he is yet.

Question. Through whose recommendation was the appointment made?

Answer. Mine and Mr. Sedgwick's, I think.

Question. Was this captain interested in the vessel at all?

Answer. I do not know. It was a mere friendly act upon my part towards him, as also upon the part of Mr. Sedgwick. It was no part of the original bargain that I should get him an appointment from the Navy Department.

Question. How often did Sedgwick come here for your brother?

Answer. I never heard of his coming here more than once; he might have done so; I never inquired into the matter at all; all I know is, that they told me that evening that they had been trying to sell the Ontario steamboats to the government, but that the government would not take them because they were not such as they wanted.

Question. So that so far as you are informed the sum paid to Sedgwick is one hundred dollars for the two trips?

Answer. I believe that is all that was ever paid to him.

Question. When was it first understood that your brother should be interested with you in the commission growing out of this sale?

Answer. There was no special understanding in regard to it; the division was made under an understanding which applies to nearly all our transactions; we are conjointly interested in nearly everything. I would like to say a word in relation to one portion of Mr. De Mier's

testimony. He testified that I resided in Richmond. I would say, that although I was engaged in business in Virginia and North Carolina for six or seven years prior to the rebellion, I have never changed my residence from New York.

The following is a copy of the correspondence between the Hon. Charles B. Sedgwick and the committee on government contracts in reference to the steamer Santiago de Cuba; the first letter being in reply to a request of the committee to know whether he (Mr. Sedgwick) desired to have any witnesses examined by the committee in reference to the subject referred to:

HOUSE OF REPRESENTATIVES, *July 10, 1862.*

SIR: I desire to examine, in the matter of the sale of the Santiago de Cuba, the following witnesses:

E. Downer, Syracuse, New York; O. T. Burt, Syracuse; M. Delano, naval constructor, New York; Geo. D. Morgan, New York; Commodore Bell, Mississippi flotilla; Commodore Paulding, navy yard, New York.

I am, very respectfully, yours, &c., &c.,

C. B. SEDGWICK.

Hon. E. B. WASHBURNE, *Chairman, &c., &c.*

HOUSE OF REPRESENTATIVES, *January 5, 1863.*

DEAR SIR: I am directed by the committee on government contracts, of which Hon. E. B. Washburne is chairman, to inquire of you whether you desire to be examined before said committee, or to have examined by them any witnesses, in reference to the circumstances connected with the sale to the government of the vessel Santiago de Cuba. An early answer is desired.

Your obedient servant,

THEO. F. ANDREWS,

Clerk to Committee.

Hon. CHAS. B. SEDGWICK.

HOUSE OF REPRESENTATIVES, *January 12, 1863.*

MY DEAR SIR: In reply to your note, I would say that I regret that the committee have not taken the testimony of the several witnesses whose names were furnished by me near the close of the last session. If, after the evidence of those witnesses is taken, I shall find that any explanation is necessary, I shall be happy to attend before the committee; but I presume they can give all the information necessary.

I am, very truly, yours, &c., &c.,

C. B. SEDGWICK.

THEO. F. ANDREWS, Esq., *Clerk, &c.*

HOUSE OF REPRESENTATIVES, *January 13, 1863.*

DEAR SIR: I am directed by the committee on government contracts to inquire of you what you propose to prove by the witnesses named in your note of the 10th of July, 1862, inasmuch as said witnesses are at a distance and not easily procurable; and the committee cannot without such information determine the necessity or propriety of summoning them, keeping in view the testimony which has already been taken in reference to the subject-matter of the examination. An early answer is desirable

Your obedient servant,

THEODORE F. ANDREWS,
Clerk to Committee.

Hon. C. B. SEDGWICK.

HOUSE OF REPRESENTATIVES, *January 14, 1863.*

SIR: In reply to your note of yesterday, I have to say that when a copy of the testimony in regard to the purchase of the Santiago de Cuba was handed me near the close of the last session, I thought it would be necessary, to a full understanding of the facts of the case, that the witnesses should be examined whose names I furnished. I have not examined that evidence since, and it would require a careful examination and analysis of it to state what bearing the evidence of those witnesses would have upon it.

I desire to conform to the usages of the committee, and beg leave to inquire if it is usual in such cases to call upon persons for a statement of what they expect to prove by witnesses who are supposed to have knowledge of the subject-matter of the inquiry.

I would also like to be informed whether your committee propose to found upon the testimony taken any charge or accusation against me; and if so, what it is specifically, as I may desire in that event to cross-examine the witnesses already produced, and to examine others besides those already named.

I am, very respectfully, yours, &c.,

C. B. SEDGWICK.

THEO. F. ANDREWS, Esq., *Clerk, &c.*

HOUSE OF REPRESENTATIVES, *Feb. 16, 1863.*

DEAR SIR: I am directed by the committee on government contracts to say, in reply to your communication of the 14th ultimo, that it has not been the practice of the committee to call upon parties implicated in testimony taken before them to furnish testimony to the committee; but the committee deem it proper, when witnesses are requested to be subpoenaed before them, that they should have a statement of the facts expected to be proved, so that the committee may themselves determine whether the testimony would have any bearing upon the subject-matter.

Of course the committee will not prejudge the testimony before them, but, upon its final consideration will determine what action shall be predicated upon it.

The object of the committee's communication of the 13th ultimo was simply to ascertain what you proposed to prove by the witnesses whose names you had suggested, inasmuch as they were absent at remote points from the capital, and whose testimony cannot readily be procured.

Your obedient servant,

THEODORE F. ANDREWS,
Clerk to Committee.

Hon. C. B. SEDGWICK.

HOUSE OF REPRESENTATIVES,
February 24, 1863.

SIR: I desire through you to ask of the chairman of the committee on government contracts (Hon. Mr. Van Wyck) a copy of a letter addressed to him by Ezra Downer, of Syracuse, and any other papers or letters upon which he or the committee proceeded to an investigation of the sale of the ship Santiago de Cuba.

I regret to be compelled, by the neglect or refusal of the committee to examine the witnesses named by me, to give notice that I shall move the House, at the earliest opportunity, to suppress the depositions in that case, and refuse to print the same; and upon that motion I shall state, as I am advised, the contents of the letter referred to, if it is not produced, or a copy furnished.

I am, very respectfully, yours, &c., &c.,

C. B. SEDGWICK.

Mr. T. F. ANDREWS,
Clerk, &c., &c.

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